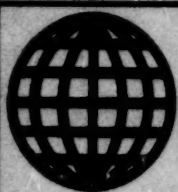


JPRS-SEA-89-010
2 MARCH 1989



**FOREIGN
BROADCAST
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JPRS Report

East Asia

Southeast Asia

East Asia Southeast Asia

JPRS-SEA-89-010

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Khmer Rouge, Vietnamese in 'Heavy Fighting'
BK2102014789 Bangkok BANGKOK POST in English
21 Feb 89 p 4

[Excerpts] Aranyaprathet—Heavy fighting between Khmer Rouge and Vietnamese soldiers continued for the second day yesterday.

The fighting took place one kilometre inside Kampuchea opposite Ban Khlong Nam Sai, 15 kilometres south of this provincial town.

The Khmer Rouge 320th and 474th divisions attacked the Vietnamese 6th Division at Ban Dong Sua Tai on Route 502, which links Ban Nimit and Khao Phnom Mali, on Saturday night.

The exchange of heavy weapon and mortar fire continued on Sunday and yesterday and was clearly heard in Aranyaprathet.

The Vietnamese were supported by six T-54 tanks, two M113 armoured personnel carriers and artillery fire from Ban Nimit.

During the exchange of fire, huge billows of smoke were seen over a Khmer Rouge camp. Some Khmer Rouge soldiers retreated to Khlong Nam Sai, a strategic canal bordering Thailand and Kampuchea.

At about 1 p.m. about 150 Khmer Rouge soldiers under Mit Sok Thiep were pushed out of Thailand by border patrol police and rangers under the Eastern Task Force. [passage omitted]

The source said that in late January about 20,000 Heng Samrin soldiers with T-54 tanks and artillery were sent to Ban Nimit on Route 5. [passage omitted]

PEOPLE'S REPUBLIC OF KAMPUCHEA

Former French Envoy Offers Aid
BK1702120389 Phnom Penh SPK in English
1107 GMT 17 Feb 89

[Text] Phnom Penh SPK Feb 17—Hun Sen, chairman of the Council of Ministers and foreign minister of the People's Republic of Kampuchea received in Phnom Penh Thursday [16 February] Louis Dauge, president of the French Red Cross and former ambassador of the Republic of France to Kampuchea, who delivered to Hun Sen a letter of French Foreign Minister Roland Dumas.

On the occasion, Chairman Hun Sen informed his guest of the current situation of Kampuchea, in particular the PRK's stance on the settlement of the Kampuchea problem. He said that there would be no other means to solve the Kampuchean problem but a political one, the national reconciliation.

"The total withdrawal of the Vietnamese troops must be along side the cessation of outside military aid to Khmer opposing factions, followed by a cease-fire and a strictly [as received] international control," reaffirmed Hun Sen.

For his part, Mr. Louis Dauge said that his visit to Kampuchea would allow him to better understand the situation of this country, mainly the Kampuchean problem.

He expressed his joy over a fine opportunity to return to Kampuchea, a country [in] which he had fulfilled his diplomatic mission and entered upon the relations and cooperation between the French Red Cross and the Kampuchean Red Cross, particularly the cooperation in fighting against malaria.

Mr. Louis Dauge pledged to do his utmost to develop the ties of friendship between the peoples of France and Kampuchea.

Aircraft Industry Makes Headway
42130057a Jakarta *ANGKATAN BERSENJATA*
in Indonesian 2 Feb 89 p 13

[Text] Bandung, *ANGKATAN BERSENJATA*—Because of its steady progress, PT [Limited Company] Nusantara Aircraft Industry (Iptn) is making significant contribution to the improvement of the country's foreign exchange holdings.

Iptn Bulletin Number 80, quoted by ANTARA on Tuesday [31 January], reports that Iptn has sold a Super Puma NAS-332 helicopter worth \$10 million to Malaysia. Iptn is now very actively offering the CN-235 to the United States Air Force.

The bulletin says that, besides its unceasing efforts to market planes, this country's aircraft industry has exported to Spain components consisting of three NC-212 "center wings" worth \$431,360 and 130 "ship sets" of CN-235 components worth \$3.92 million. The total value of exports is noted as \$4.35 million.

Besides revenues from the export of aircraft and components, foreign exchange is earned constantly through subcontracting.

The bulletin reports that 7,776 subcomponents for the Boeing 767 will earn \$759,679 from 1988 to 1990 and that talks are under way on 200 "ship sets" of Boeing 737-300 flaps that will bring \$23.7 million.

In addition, seven types of F-16 components are being made under an "offset program" with General Dynamics. From November 1988 to 1996, 3,460 of these components worth \$17.7 million will be made.

The progress of Iptn's cooperation with several of the foremost aircraft and aircraft engine industries in the world is related to Iptn's quality, work systems, and capabilities, plus other things.

This is evidenced by assignments from SDKU [expansion unknown] in October 1986, FFA [Flug-und Fahrzeugwerke AG] in January 1987, Boeing in November 1987, General Dynamics in June 1987, and BAE [British Aerospace] in January 1988.

The bulletin said Iptn also exports services. The UMC (Universal Maintenance Center), which services aircraft engines, and the machine industry earned \$350,000 from January to March 1988.

Revenues in 1988 were estimated to be at least \$5.64 million. Revenues of \$13 million are projected for this year.

Export targets for 1988-89, the bulletin said, are the Asia-Pacific region and the Middle East. The UMC division began operations in January 1988.

Probo Asks DPR To Discuss Tax Holiday for Foreign Investors

42130057b Jakarta *MERDEKA* in Indonesian
2 Feb 89 p 1

[Text] Jakarta, Wednesday [1 February], *MERDEKA*—The chairman of Kadin [Chamber of Commerce and Industry], H. Probosutedjo, believes that a tax holiday would still be quite effective in attracting foreign capital to Indonesia.

"There are now still many problems that must be handled by the government and the private sector in connection with improving economic growth," Probosutedjo said in remarks in Jakarta on Tuesday night at a program for dissolving the Kadin Munas [National Conference] Implementation Committee.

There are many natural resources that are still being mishandled and even more that have not been explored or exploited at all.

Jobs are another and increasingly difficult problem, and unemployment keeps on rising from year to year. The foreign debt is yet another problem that must be faced seriously.

Foreign loans are used for productive projects, but, in order to make loan payments, both government and business need to think about making constant effort to increase nonoil exports.

This problem is made even worse by many instances of waste and fraud. One example found by the Finance Auditing Board (BPK) is that although many ports have been built they are not functioning well.

"Kadin must take part in watching out for waste and fraud and in stopping such things, so that the situation will not get worse," Probo said.

In response to these challenges, there must be increased investment in the processing of natural resources, which will also create jobs. One way to do this is to attract foreign capital.

Even this, however, faces obstacles, which include regulations that are a snare to ourselves. For example, new tax laws have abolished the tax holiday, which formerly was used as an incentive to foreign investment.

"Because the tax holiday is still in effect in other ASEAN countries, like Thailand and the Philippines, it is no surprise that investors flock to those countries," he said.

Probo said he realizes that under the current tax law the tax holiday provision no longer exists, in spite of the fact that the tax holiday is very important and is still effective for attracting capital from abroad.

Right of Initiative

Because of the multiple beneficial effects of the tax holiday, Probo said he is asking the Dpr [Parliament] to

use its right of initiative by reviewing the tax law so that tax relief in the form of a tax holiday can be offered again to foreign investors.

Probosutedjo, who stated he had returned from Taiwan only a few days ago, said many investors in that country want to invest their capital in Indonesia. In fact, the Government of Taiwan itself is prepared to provide credit for 70 percent of principal to businessmen who want to make investments in Indonesia.

"They choose to make their investments in the Philippines or Thailand, however, for those two countries offer a tax holiday. But, if we consider national stability, Indonesia is much better than either of those two countries," he asserted.

Commenting on the Kadin Munas of last December, Probosutedjo said that it was successful and that the decisions of the conference were close to what the government desired.

The program was attended by the following: Chairman of the Kadin Board of Directors Sukamdari S. Gitosardjono, Kadin General Chairman Sotion Ardjanggi, Dpr/Mpr [People's Consultative Assembly] Deputy Chairman Sukardi, Dpr/Mpr Deputy Chairman Saiful Sulun, Dpr/Mpr Deputy Chairman H.J. Naro, Dpr/Mpr Deputy Chairman Suryadi, Indonesian Council of Cooperatives [Dekopin] General Chairman Sri Edi Swasono, all members of the Kadin Munas committee, and other Kadin leaders.

When asked his reaction to Probosutedjo's desire for a tax holiday, H.J. Naro said the proposal will of course be studied first and then is certain to be discussed in the Dpr.

Naro said the suggestion is an urgent one and that there is a way to handle it. "It will have our attention, so be patient," he said.

Governor Says Unemployment Hurting National Stability

42130057c Jakarta ANGKATAN BERSENJATA
in Indonesian 2 Feb 89 p 9

[Text] Palembang, ANGKATAN BERSENJATA—Unemployment can have unwanted effects, especially on public security and order, and thus disturb national stability.

South Sumatra Governor H. Ramli Hasan Basri stated this on the occasion of the transfer of some governmental responsibilities in the labor and estate sectors from the South Sumatra Provincial Government to the Belitung Regency Government.

The transfer was made on Saturday [28 January] in a special plenary session of the Belitung Level II Dprd [Regional Legislature] led by its chairman, Harsono Hasan, at Tanjung Pandang, capital of Belitung Regency.

The responsibilities being transferred to the Belitung Regency Government cover 10 matters in the estate sector and 2 in the labor sector.

While noting that unemployment is hitting almost every country in the world, Ramli reemphasized that the job issue is a social problem that is not entirely the responsibility of the government.

"The private sector should therefore participate actively in development activities that create jobs," the governor said.

Nevertheless, Ramli pointed out several efforts the government has made to deal with the manpower problem.

All steps and efforts the government makes are for the purpose of creating new jobs in proportion to growth of the work force, while at the same time reducing existing unemployment.

He said the creation of jobs and protection of manpower must constitute a comprehensive policy in all sectors. This means that the creation of jobs is an integral part of all development policies.

The governor pointed out that about 100,000 people are added to the work force in South Sumatra every year. Most of these are school dropouts, from elementary school to the college level.

From another aspect, an average total of 30,000 people per year sought jobs in South Sumatra during Pelita [5-Year Development] IV. About 70 percent of these had an Smta [high school] education and hoped to find work in the formal sector.

In this connection, Ramli emphasized that manpower is a resource that is expected to support and contribute to the success of development, especially in South Sumatra. Vocational education programs are therefore adapted to local manpower needs.

Foreign Exchange Producers

With respect to estate matters, the governor noted that the estate subsector bears certain responsibilities, including earning foreign exchange, supplying raw materials to industry, and providing jobs.

Through the actual transfer of some estate responsibilities, he hoped the Belitung Regency will be able to further improve estate productivity, especially by making small-holder estates more efficient and effective.

Ramli also hoped the Belitung Regency Government will immediately set up programs for development, management, and expansion in the matters being delegated to it in the estate and labor sectors, in accordance with conditions and scales of priorities established in the Apbd [regional budget].

With the transfer of some governmental responsibilities in the estate and labor sectors, South Sumatra will have delegated 12 of its 16 level I region responsibilities to the level II region.

The Belitung regent, H.A.S. Kristyanyo, said that with the actual transfer of some governmental responsibilities in the estate and labor sectors, the Belitung Regional Government and Level II Dprd will bear heavy responsibilities that must be fulfilled, like it or not.

He was confident, however, that these responsibilities will prove light if cooperation and coordination between the executive and legislative departments can be maintained and expanded.

Thai Joint Venture To Sell Computers
BK2102132589 Bangkok THE NATION in English
21 Feb 89 p 14

[Text] A group of Udon Thani-based businessmen, optimistic about the prospects of trade with Laos, have set up a joint venture with the Lao Government to export electrical and high-technology goods from Thailand.

In their view, they are partly formalizing a trade that has already been taking place in the form of "ants' armies" of individual traders carrying the goods across the Mekong River.

"I reckon in a year about Bt[baht]100 million worth of electrical goods crosses the border from Thailand into Laos," said Sathitchai Siriphongsakun, owner of Udon Saeng Sathit and one of the province's leading businessmen.

He is the spearhead of a group of about 10 Udon Thani businessmen who formed Udon - Vientiane Import Export Business Co Ltd with a registered capital of Bt10 million as soon as the Laotian Government announced its investment policy.

The company is the Thai half of the joint venture registered in Laos and called, confusingly, Vietiane - Udon Import Export Business Co Ltd. The Thai stake in the joint venture is 80 percent, the remaining 20 percent [is] owned by the Laotian Government.

Vientiane - Udon is to import "necessities" from Thailand into Laos, concentrating on electrical goods, and computers. Sathitchai said last year he sold about 10 microcomputers across the border, mainly supplying embassies in Vientiane.

He said he believes the Laotian market has a bright future, especially for high-tech goods. The promotion of investment will increase demand for these goods, he said, particularly computers and modern communications systems to help investors improve their management.

"Laos is a new market, like a desert that needs a lot of water. The company we set up is about to open and in the coming months we expect to be in business. We have large orders from Laos," he said.

Sathitchai said the most popular electric goods are lower-priced monochrome televisions, irons, rice cookers and electrical woks (frying pans). Competition has been intense since the Laotian Government opened up its economy, he said, with buyers looking for the lowest prices and less concerned about the brand.

"For example, black and white televisions. I used to sell Japanese black and white televisions for just over Bt2,000. Recently other people put Japanese brands on Chinese televisions and sold them for Bt1,700. These sold much better, and therefore I believe competition will intensify further in the future—particularly in fans," he said.

House Speaker Denies U.S. Hand in Unicameral Moves

42000088c Manila THE PHILIPPINE STAR
in English 28 Dec 88 pp 1, 4

[Text] Speaker Ramon V. Mitra, Jr., yesterday brushed aside charges that the proposal to abolish the Senate and establish a unicameral legislature has been at the behest of the United States.

Mitra issued the statement in defense to the proposal fathered by several leading members of the House who found the recent interchamber squabbles "counter-productive" to the legislative process.

Sen Aquilino Pimentel earlier raised the possibility that the proposal was instigated by the U.S. to protect its business and military interests in the country.

"I challenge them to name names," Mitra said stressing that the Americans have no influence in the decisions of the members of the House.

"This only reflects their lack of confidence in their colleagues," Mitra said referring to the proposals' detractors.

In a statement, Pimentel said "at the risk of sounding paranoid, we must examine the proposal not only in the light of its intrinsic merits but also in the light of the question of the presence of nuclear weapons in the country and the impending U.S. military bases negotiations."

The Senate has already passed on third-and-final reading a bill imposing an absolute ban on nuclear weapons in the country in consonance with the provisions of the new Constitution.

The Chamber has also approved a bill setting a 20-percent cap on the country's gross receipts to be earmarked for the repayment of our foreign debt.

Both measures, according to Pimentel, do not augur well for the American interests.

"I don't think we should even be discussing the proposal at this time," Mitra said.

He explained that Congress has not yet acted on a joint resolution constituting it into a constituent assembly to introduce amendments to the Constitution.

The House has unanimously approved the resolution which has been languishing in the Senate for months now.

Mitra said the proposal to abolish the Senate is contained in the agenda of the constituent assembly.

Editorial Rejects 'Preposterous Proposal' on U.S. Bases

42000088a Manila PHILIPPINE DAILY INQUIRER
in English 15 Jan 89 p 4

[Editorial: "25 More Years of Foreign Bases Is Just Too Much"]

[Text] Twenty five more years of foreign military bases after 1991? Uncle Sam must be kidding!

Here we are on the brink of being relieved of a 44-year burden, of washing away a blot on our self-respect as a sovereign nation—and the U.S. comes around to suggest that it intends to keep its military forces 25 more years on Philippine soil.

This is abusing the hospitality of a friend. Quarter of a century, which is one generation, is almost like forever to a nation that has been hosting for the past four decades the forward military facilities forced upon it by the U.S.

The days of neocolonialism are gone. Foreign bases are an anachronism in this day and age. Twenty five more years? This is the antediluvian attitude that has irritated Filipinos who have been hoping that their supposed friend and ally adopt an enlightened approach to bilateral issue in the context of present-day realities.

Of course 25 years may just be the maximum bargaining position of the U.S. from which it may eventually slide to a more reasonable level. Or Washington may have used outgoing State Secretary George Shultz to float a trial balloon.

Whatever it was that prompted the preposterous proposal, we should lose no time registering serious objections. President Aquino reportedly said yesterday that it is too early to talk about these things. While it may be too early to go into formal bargaining on the bases lease, it is never too early to speak up whenever an overstayng guest starts pushing his weight around or talking out of turn.

To be more specific, it is not premature for even the President to say at this point—in a general sense without direct reference to Shultz—that 25 more years of foreign bases after 1991 is just too much.

January 89 Strike Record Implies Improving Situation

HK1702043589 Manila BUSINESS WORLD
in English 17 Feb 89 p 2

["Indicator" column: "Strike Situationer"]

[Text] The Labor Department started the year with its best foot forward as the settlement rate of strikes for January increased to 50 percent from 46.7 percent a year ago. Total cases handled for the month plunged to 26 from 45. However, these fewer cases involved 4,483 workers compared to 3,063.

On the other hand, notices of work stoppages for the period increased to 131 from 114, while its corresponding settlement rate declined by 21 percentage points to 17.5 percent from 38.7 percent—thus leaving a pending end of 201 work stoppage notices for the following month. Simply put, the prevention of notices developing into strikes slightly declined. Thus, the percentage of notices materializing into actual strikes against total cases handled is larger compared to the previous year.

Of the 18 work stoppages declared, 12 came from the manufacturing sector whereas transport, financing and community services had one each. The National Capital Region had nine strikes out of the 18 national total, Region III and IV had three each and two occurred in Region I.

Most of these strikes resulted from alleged discrimination, harassment of union members and illegal dismissal or suspension.

As a result, a total of 65,000 man-days were lost. However, this is an improvement from last year's 68,000.

Metro Manila seems to be most plagued by labor unrest as notices of work stoppages filed reached 100 out of the total 131. In January last year, Metro Manila had 75 cases filed out of 114.

Nine out of 12 notices materialized into actual work stoppages in the said area compared to last year's eight out of 12.

Looking at the situation, the Labor Department, with the National Conciliation and Mediation Board (NCMB), may have slackened a bit in dealing with notices of work stoppages. Much has yet to be done in the present labor front.

Meanwhile, labor organization leaders asked President Aquino to sign into law the consolidated labor bill which is said to initiate changes in Philippine labor relations. Considered as important to workers is the provision which will increase the number of divisions of the National Labor Relations Commission. This will enable the commission to perform as an independent body.

**Strike Situationer
January 1989 and 1988**

Actual Work Stoppages	1989*	1988
Pending beginning	8	30
Work stoppages declared	18	15
Total cases handled	26	45
Workers involved	4,483	3,063
Mandays lost ('000)	65	68
Cases disposed	16	23
Cases settled	13	21
Disposition rate (percent)	61.54	51.11
Settlement rate (percent)	50.00	46.67
Pending end	10	22
Notices of work stoppages		
Pending beginning	132	206

**Strike Situationer
January 1989 and 1988**

Actual Work Stoppages	1989*	1988
Notices of work stoppages filed	131	114
Total cases handled	263	320
Workers involved	37,901	22,875
Cases disposed	62	144
Cases settled	46	124
Notices that materialized into actual work stoppages	12	12
Disposition rate (exclusive of notices that materialized into actual work stoppages)	19.01	41.25
Settlement rate (percent)	17.49	38.75
Pending end	201	176

*preliminary

source: department of Labor and Employment

Politician Predicts Party Revival 'Bound To Fail'

42000088b Manila THE MANILA CHRONICLE
in English 16 Jan 89 p 7

[Text] Wilson Gamboa, the secretary-general of the Grand Alliance for Democracy (GAD), said yesterday attempt to revive the Nacionalista Party (NP) are bound to fail because those who are leading the move "can only excite prejudice but never inspiration."

Gamboa was apparently referring to Vice President Salvador Laurel and Sen Juan Ponce Enrile who announced last week that they were "quietly revitalizing" the party.

Enrile had said he would call a national convention early this year to elect former speaker Jose Laurel as NP president.

Gamboa, who is also an NP member, said the revival move would face rough sailing because it is led by people "with known complicity in the plunderous rule of the Marcos regime and does not have the support of the party's rank and file."

He said political leaders who "carry heavy baggage connected with their conduct in the past" should now give way to new leaders who are attuned to the needs of the present.

The mere mention of the names of those trying to revive the NP is enough to mobilize instant opposition in many sectors, he said.

"What is the use (of reviving the NP) when the move is led by those who have been petrified by feudal politics?"

Gamboa used to be deputy defense minister under the Aquino Administration.

Comelec Lists Rebel-Infiltrated Barangays
*HK170205389 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 17 Feb 89*

[Words within slantlines are in English]

[Text] Ballot boxes to be used in areas threatened by rebels will be (included) with those in safe areas. The purpose of this is to prevent violence and to guard against fraud. Tony Valencia has the details:

[Begin recording] The /fallback measure/, according to the Comelec, will be taken also to protect the lives of the members of the /board of election tellers/ engaged in guarding the /sacredness/ of the election and the /popular will/ of the people. The /extraordinary measure/ according to poll Chairman Hilario Davide Jr. will /minimize/ any possible violence, terrorism, and disorder in areas which have been termed /hotspots/ by the military.

The military reports that some 3,300 barangays [words indistinct] infiltrated by the NPA. In Region one, 191 barangays are infiltrated; Region 2, 655; Region 3, 761; Region 4, 640; Region 5, 964; Region 6, 1,249; Region 7, 279; Region 8, 1,347; Region 9, 316; Region 10, 602; Region 11, 554; and Region 12, 238.

No barangays in Metro Manila are reported under the sway of the communist rebels. [end recording]

Government To Offer P72 Million in Loans to Ex-Rebels

*42000090c Manila PHILIPPINE DAILY INQUIRER
in English 20 Jan 89 pp 1, 8*

[Text] Some 10,000 former rebels will be given loans for livelihood projects totalling P[pesos]72 million, according to the Department of Local Government (DLG).

Local Government Undersecretary Rolleo Ignacio yesterday said the livelihood assistance program is designed to help surrendered rebels live normal lives. "We hope to make the rebel returnees productive upon their reentry to normal community life," he said.

Ignacio said the livelihood projects are being undertaken under the National Reconciliation and Development Program administered by the DLG.

The projects are to be funded by loans extended by the Land Bank of the Philippines to private voluntary organizations (PVOS), non-governmental organizations (NGOS) and local government units which will monitor the projects, Ignacio said.

Under an agreement recently concluded by the DLG and the Land Bank, funds will only be released to an organization after its project proposal is approved by the DLG.

Among the projects to be funded through the program are farming, fishing, marketing of food and agricultural products, cottage industries, furniture-making, skills training and other income-generating activities.

Ignacio stressed that the assistance being given to the surrenderers are not dole-outs since the beneficiaries would be required to repay the loans with interest.

The DLG released last week P1.6 million for livelihood projects for MNLF surrenderers in Lanao del Sur. Last year, the department released a total of P2.5 million for similar livelihood projects for former rebels in Tawi-Tawi and Akian.

Ignacio said a total of 2,000 former rebels have already benefited from the program.

Military Says CPP Courting Middle Class

*42000081b Manila THE MANILA TIMES in English
6 Jan 89 pp 1, 4*

[Text] Expectedly, the communist insurgent movement wants to be ahead of the government in its race for the people's support.

Consider these:

On one hand, the government is now exerting all-out effort to WHAM (win hearts and minds) in the countryside, particularly in the communist-influenced barangays.

Specifically, the targets are the peasants and proletarians of whom, according to military estimate, about 2.5 million now comprise the mass base of support of the Communist Party of the Philippines and its New People's Army.

On the other hand, the CPP-NPA is already trying to attract more adherents from among the urban bourgeoisie.

The targets are the middle-class people—the professionals, the owners of relatively large businesses and the small gentry, among others.

A report on this new WHAM thrust of the CPP-NPA, a copy of which was obtained by THE MANILA TIMES from the military, said that in fact, the left-wing underground movement's "ideological balance" now "has tilted a little more in favor of the urban middle classes."

This development, according to the report, is an offshoot of a program embarked on by the CPP-NPA to "transform" our party-dominated and party-dependent machineries into functional campaign machineries.

Code-named "Micronesia," the program is supposedly specifically aimed at forging "stronger ties with the middle classes" whose "cash" and "proximity to the center of political power" the CPP-NPA wants to avail itself of.

Obviously, the tilt in the communist movement's ideological balance has been influenced by the CPP-NPA leadership's realization that the middle classes have more financial support to offer than the working classes.

A military source told the TIMES "this view is substantiated by information gathered from one of the documents seized in a raid by government troops on a CPP-NPA base last year."

The source said the document revealed the CPP Politburo (Political Bureau) decided not only to escalate the movement's armed conflict with the government but also to give more impetus to its campaign to convert the middle classes into communist support forces.

This decision, the source said, paved the way for the issuance by the CPP-NPA of "war bonds" which, according to another seized document, "open an avenue for the middle force (middle classes) to support the revolution and at the same time remain anonymous, thus retaining that sense of security in non-involvement."

The document added: "Encashment of the bonds will ... depend on the victory of the people's war and the capacity of the revolutionary government to pay interests."

It also indicated that upon such victory, even bondholders who used to be enemies of the movement could use their bonds as instruments for the "settlement (of) back taxes," purchase of "confiscated equipment" and redemption of "ill-gotten or unexplained wealth."

Military analysts believe the CPP-NPA's concentration now on the middle classes has made newsmen-turned-rebels Saturnino Ocampo and Antonio Zumel two of the most influential leaders of the underground movement.

This is supposedly because of the relevance of their respective positions in the movement's hierarchy (Ocampo as chairman of the CPP National United Front Commission and Zumel as chairman of the CPP National Commission on Research and Propaganda) to the effort to win the support of the bourgeoisie.

Military analysts also suspect this could be the reason why top communist cadres reportedly recently elected Ocampo as member of the CPP politburo and Zumel as member of the CPP Executive Committee.

Both are also regular members of the CPP Central Committee.

The military believes Ocampo and Zumel are also the prime movers of the National Democratic Front which is supposed to be the umbrella body of all communist groups in the country.

Cordillera NPA 'Smashes' CPLA-Linked 'Robbers'

42000081e Quezon City MALAYA in English
9 Jan 89 pp 1, 2

[Text] Balbalan, Kalinga-Apayao—A big band of highway robbers victimizing commuters on the Kalinga-Abra national road was believed smashed following the recent

execution of six of its suspected members by New People's Army rebels in this province.

Cadres of the NPA Leho Cawilan Command in Kalinga said they started going after the band which, they said, was connected with the Cordillera People's Liberation Army of former priest Conrado Balweg, as early as September.

Residents corroborated the rebels' claim, saying that highway robbery which used to happen almost weekly has stopped since October when the NPA first caught up with the first of the holdup men.

In an interview with NPA rebels in a remote village here, a cadre who goes by the alias "Ka Wonder" said they had killed six of the suspected robbers, four of them last Christmas.

Ka Wonder said they were able to identify the members of the gang through two CPLA members captured in an assault in Barangay Balatoc, Pasil town, last September.

The communist guerrillas said they killed 11 CPLA members during the attack. [passage omitted]

Ka Wonder said one of the robbers admitted during interrogation they were responsible for the holdup of a Greenland bus in Spring, Tabuk last year, in which the conductor was killed.

Ka Wonder said the prisoner also admitted that members of the CPLA manning checkpoints in Barangays Ableg and Cagaluan in Pasil acted as lookout for coming vehicles.

If no soldiers or rebels were aboard, they gave the go-ahead signal through two-way radios to the robbers waiting on the road.

The robbers used high-powered firearms lent them by CPLA members, Ka Wonder said.

Residents would not confirm the CPLA connection of the robbers. But they said the road connecting Ableg and Cagaluan, where a lot of robberies happened, was only a few minutes' walk from the CPLA detachments in the two barangays.

Kalinga residents fear the presence of rebels would invite attacks by the military, but they were thankful the robbers were gone.

"Now we can travel without fear," said one store owner who said he had been victimized by the robbers several times.

The Kalinga-Abra road stretches from Tabuk to Malibcong, Abra, passing through the forested towns of Pasil and Balbalan. Residents say the road is virtually under the control of the Leho Cawilan Command.

The only presence of government troops along the more than 100-kilometer road is in Balbalan proper, where they are in constant watch for rebel attacks. [passage omitted]

Cordillera Council Rejects CPLA Peacekeeping Role

42000081f Manila *MANILA BULLETIN* in English
27 Dec 88 p 11

[Excerpts] The Cordillera People's Liberation Army (CPLA) under former Catholic priest Conrado Balweg does not enjoy the support of the various tribes or residents in the Cordilleras, an official of the Cordillera Regional Consultative Council (CRCC) said yesterday.

Abrino Aydinan, CRCC chairman, said the CPLA's role as the peacekeeping force in the Cordilleras was rejected by the CRCC and by the Cordillera people themselves in regional consultations. [passage omitted]

Warren Luyaben, CRCC vice chairman, said that the repudiation of Balweg's army means the CPLA cannot be absorbed into the CRCC-approved peacekeeping force for the highlands.

CPLA members, however, could become members of the regional police commission after thorough screening and training, according to Luyaben, a former regional trial court judge in Tabuk, Kalinga-Apayao.

The fate of the CPLA was discussed at consultations and meetings by CRCC commissioners on the proposed Organic Law for the Cordilleras at the Baguio Convention Center, Luyaben said.

He said the CRCC concedes that Balweg "contributed a lot to the march (of the Cordillera) toward autonomy."

Luyaben said Balweg, after giving a discourse on the history of autonomy before CRCC commissions, has disappeared and "we do not know where he is now."

"What damaged him are the abuses of CPLA members ... but that is understandable because they were not properly screened and trained," Luyaben said.

Under the proposed organic act, the Armed Forces of the Philippines (AFP) can only enter the Cordilleras when asked by local government executives, with the concurrence of their legislature, Luyaben explained.

Luyaben expressed the hope that the Cordilleras would be freed of all armed combatants, particularly the AFP and the New People's Army (NPA), for the Cordilleras to enjoy real autonomy.

The NPA rebels can fight their war of national liberation outside the Cordilleras, Luyaben said.

Commission Enforces New Rules for Barangay Elections

42000081d Manila *THE MANILA TIMES* in English
8 Jan 89 p 5

[Text] The Commission on Elections has stepped up its preparations for the coming barangay elections following its decision on the status of 42,000 barangay captains.

Comelec Chairman Hilario G. Davide Jr. said the poll body would start enforcing new guidelines for the elections, adding that the commission should see to it that all incumbent barangay captains running for reelection should resign.

The move, according to Davide, was agreed upon after a majority decision away the commissioners.

New barangay captains, however, will be appointed by city and municipal mayors.

Over one million candidates were expected to run as a member of each of the eight-man barangay council, one of whom will be chosen as barangay chairman.

P298 Million Spent on Rebel Returnee Program

HK1702104389 Manila *PHILIPPINE DAILY INQUIRER* in English 17 Feb 89 p 9

[Text] The Department of Local Government (DLO) has spent P298 million for the rehabilitation of 111,152 confessed communist and Muslim rebels who surrendered from March 1987 to January this year.

A DLG report said a total of P298,499,238 has been paid out from the National Reconciliation and Development Program for the rehabilitation of these rebel returnees.

Most of the surrenderees, the report said, were former members of the New People's Army (NPA) and the Moro National Liberation Front (MNLF), the two biggest insurgent groups in the country. Majority of the rebel surrenderers came from Mindanao.

Under the rehabilitation program, the government set up 15 resettlement communities and distributed livestock to 957 rebel returnees, the report said.

It added various livelihood projects are also being implemented to develop self-reliance among the returnees.

Details on Difference Between NPA, MNLF Surrenders

42000090d Manila *PHILIPPINE DAILY INQUIRER* in English 25 Jan 89 pp 1, 8

[Text] What's the difference between the New People's Army and the Moro National Liberation Front when giving up arms?

The NPA prefers to do it secretly, while the MNLF wants to surrender with publicity, pomp and pageantry.

"The NPA shies away from the ceremony for fear of reprisals," said Defense Undersecretary for Reserve Affairs Eduardo Ermita. "The NPA leaders are very brutal when it comes to returnees. The MNLF is not."

Ermita is the chief negotiator in the campaign to win both communist insurgents and Moro rebels back to the government side as embodied under the National Reconciliation and Development Program (NRDP).

Fifteen government agencies are involved in the developmental approach to combat the countryside strife. The NPA, considered a major threat to national security, has been waging its war since 1969 while the MNLF, a major threat in the 70s, has split into three factions.

The Moro rebels do not only enjoy the klieg lights but also surrender in full battle regalia and en masse, Ermita reported.

He cited the cases of three Lanao-based MNLF commanders—Misangcad Bongcarawan alias Kumander Sonny Boy-Nagisan, Aliriba M. Anal alias Kumander Tara and Mike Aguila alias Kumander Agila—who surrendered last October with 221 followers, almost all of them with high-powered weapons.

Under the NRDP "Balik-Baril" program, a rebel who turns in with an armalite gets P[esos]9,000 cash and another P9,000 in the form of fertilizers, seeds, or anything he feels he needs to start a new life.

Ermita said the MNLF high-profile returnees often turn in mortars and bazookas. The government, he added, has already spent P14 million for the rebels' guns.

The "Balik-Baril," according to Ermita, is the centerpiece of the NRDP. The guns are priced from P2,000 to P30,000 depending on the make and power of the weapon. A light submachine gun is worth P15,000; and AR 16 with M203, for P10,000. Paltik, or home-made guns, however, are not paid.

Loan packages that usually run into millions are also available to the returnees at very low interests. The huge loan assistance, however, still has to lure the communist rebel from his mountain redoubt.

"We have a problem in convincing the NPA regulars to surrender en masse," Ermita said. If there were any NPA surrenderers in the past, Ermita said they were mostly the masa or sympathizers.

A total of 9,755 NPA regulars have reportedly surrendered since March 1987. Ermita, however, doubted the figures which he said, were gathered by the DSW during the first few months of the campaign. "It's very easy to claim one is a regular member of the NPA," he explained. "The military did not have the time to verify these claims."

NPA Land Redistribution 'Tip of Iceberg' *42000081a Quezon City WE FORUM in English 19-25 Dec 88 pp 9, 10*

[Excerpts] Government moves to forcibly retrieve land confiscated and distributed by the New People's Army (NPA), and to prosecute farmers for receiving such lands will inevitably lead to violent confrontation between government and peasants.

President Corazon Aquino ordered land reform and military authorities to counter the NPA's "Rebolusyong Agraryo" (Agrarian Revolution) following a disclosure by Defense Secretary Fidel Ramos that the guerilla army has so far seized and distributed some 31,000 hectares of agricultural lands to tenant farmers in the provinces.

While Agrarian Reform Secretary Philip Juico has belittled the NPA land seizures' being limited to "NPA-controlled areas," the Ramos report has alarmed government. The report contradicts claims that government is winning the war against the NPA, and worse, indicates that government is losing its foothold in NPA turf.

The Aquino administration seems unaware of the possibility that the NPA's own land reform version as reported by Ramos may just be the proverbial "tip of the iceberg." [passage omitted]

In at least 20 major provinces, the NDF's [National Democratic Front] agrarian reform has been characterized by land redistribution, reduction of land rents, elimination of usury, raising of wages, reduction of farm product prices, and formation of peasants' cooperatives and marketing systems.

The amount of land actually confiscated by the underground Left in fact tends to dispute Ramos' 31,000-hectare figure.

In Visayas alone, the NDF has claimed to have distributed more than 24,000 hectares (out of 2.8 million hectares) in just three major islands of central Philippines: Samar, Negros and Panay. Land redistribution there averages two to three hectares per recipient.

In central Philippines, the NDF's "right-to-till principle" seems to give greater security to land beneficiaries than mere land occupation. What gives the campaign teeth is the Front's political and military (through the NPA) strength.

In some barrios of Laguna, the NDF has set up "group farms" taken through land confiscations, for growing rice, vegetables, and other crops. Each group is tilled by 10 families. The income derived is then divided evenly among them.

Collective Farming

What remains of land is farmed collectively by peasant organizations, with each group farm volunteering two members.

Meanwhile, the proceeds of a "model cooperative" go to the peasants' organization, enabling it to buy equipment and agricultural inputs shared by all members.

If rice production is unprofitable, farmers engage in small-scale industries and grow high-priced specialty crops.

The cooperative and other support mechanisms practiced in Laguna belies Agrarian Reform Secretary Juico's claim that the guerillas' "agaw lupa" campaign will fail because of its lack of support services. Similar mechanisms are promoted in the Visayas and other regions.

On the other hand, following KMP's [Kilusang Magubukid ng Pilipinas—Peasants Movement of the Philippines] announcement that farmers belonging to the movement will undertake their own land reform, thousands of hectares of land have already been occupied by legal farmers' groups.

Again in the Visayas, farmers' groups affiliated with KMP have taken over at least 6,000 hectares of idle and abandoned lands and initiated rent reductions sometimes through negotiations with landowners. Most of these lands, the farmers claim, have actually been titled by them but have been contested by landlords who had grabbed the lands for themselves.

KMP groups in the Visayas have their own cooperative system. They use organic fertilizers and pesticides instead of expensive commercial ones. NGOs [non-government organizations] have offered assistance in terms of training, and providing indigenous technology and cooperative management.

With the apparent initial successes already gained by both the underground Left and militant farmers' organizations in agrarian reform, the government is likely to end up in an embarrassing position if it goes ahead with its threat to retrieve all lands "illegally" confiscated.

The method used by both movements may differ from government's, but the end results in terms of possible benefits given the farmers should prod government to think twice. All President Aquino should do is to prove that her own CARP is better than the Left's. (PNF)

Recruiter Alleges Emigre Workers Funding CPP From Abroad

42000081c Manila THE MANILA TIMES in English
7 Jan 89 p 5

[Article by Agadel Guerrero: "Ex-Reds Working Abroad Soliciting Funds"]

[Text] An official of an international recruitment agency said yesterday there were thousands of rebel returnees now employed as contract workers in Saudi Arabia and other countries in the Middle East who are secretly soliciting funds for the Communist Party of the Philippines and the New People's Army.

The official, who asked not to be identified, said this was an indication that the underground movement succeeded in expanding fund raising and political activities in foreign countries.

The official's firm recruits and send Filipino workers abroad.

The official also said about a hundred of these so-called communist returnees were found in the Soviet Union undergoing reorientation courses.

The communist propagandists, according to the official, operate in line with a three-point objective among which are to "covertly solicit funds for the movement, enlist other Filipino workers to join the movement and to discredit the Aquino government with black propaganda."

All these objectives are embodied in the 12-Point Program of the National Democratic Front underscoring the need for political and organization activity among members of Filipino communities abroad.

The National Democratic Front has a network and "support group" in Europe, the U.S. and Hong-Kong.

Rebel, Official Land Reform in Bicol Compared 42000090e Manila PHILIPPINE DAILY INQUIRER in English 25 Jan 89 p 6

[Article by Ramon Imperial: "Bicol Lands Under Rebel Land Reform"]

[Text] Pili, Camarines Sur—The New People's Army in Bicol has taken over more than 6,000 hectares of private farmlands in Albay and Camarines Sur provinces in its own version of land reform.

This was bared recently at Camp Canuto here by Lt. Col. Edilberto Pancifane, commander of the Army's 2nd Infantry Battalion, which operates in 19 towns of the two provinces.

Pancifane said of that 6,164 hectares of agricultural lands covered by the NPA's "rebolusyong agraryo," 3,420 hectares are in Oas town, 900 in Pio Duran, 656 in Libon, 521 in Ligao, and 467 in Polangui—all in Albay—and about 200 hectares in Tinambac, Camarines Sur.

He said the affected landowners were forced to give up control of their lands because of constant threats, harassments, and excessive taxes imposed by the communists.

The Army commander, however, said his battalion and other Army units in Bicol are now undertaking military operations to restore the rebel-held farmlands to their rightful owners to make way for the implementation of the government's Comprehensive Agrarian Reform Program (CARP).

Meanwhile, the first land distribution under CARP in Bicol was scheduled by the Department of Agrarian Reform for implementation in Sorsogon Province this month.

Bicol DAR regional director Jose Llamas and in Legazpi City last week the initial CARP beneficiaries will be 40 former tenants of a coconut plantation in barangay Inang, Pilar town.

Llamas said that Certificate of Land Ownership Awards (CLOA) will be given to the farm workers of a 120-hectare coconut farm voluntarily sold by its owners, Dr. Rudecindo Roces and Legazpi City Vice Mayor Imelda Crisol-Roces, to CARP through the Land Bank of the Philippines.

Llamas said the tenant-beneficiaries were told to decide whether they want the farm lands as individual owners or as collective owners of a farming cooperative which would entitle them to added government support services.

Commerce Minister Discusses U.S., Asian Trade, Advisers

42070055 Bangkok SIAM RAT SAPDA WICHAN
in Thai 8-14 Jan 89 pp 21-23

[Interview with Dr Subin Pinkhayan, the minister of commerce; date and place not specified]

[Excerpt] [Passage omitted] [Question] During the negotiations with the United States on 12 December, how much was achieved in protecting Thailand's interests?

[Answer] During the negotiations with the United States on 12 December, I was the head of the Thai delegation. A cabinet resolution had stipulated what our position was to be. We did not tell the United States that the cabinet wanted this or that. In considering whether to extend GSP benefits to us, the United States is considering the things that we have done. We do not have only trade relations with them. There are several things involved in granting GSP benefits to us. Now that we have told them what we have done and what we can and can't give, they will have to consider what GSP benefits to give us. That is up to them to decide.

[Question] Will the United States implement Article 301?

[Answer] The United States is using Article 301 with every country. They are not using this just against Thailand. The United States has promulgated this law, and they must adhere to it. Article 301 states that if American businessmen feel that some country or a competing company in a foreign country is not competing fairly, they can ask their trade representative, that is, the U. S. Trade Representative, to take legal action. This law stipulates retaliatory measures. This is their law. Thus, what action they take is up to them. It's not up to us.

[Question] It seems that Article 301 will have a greater impact than cutting our GSP benefits.

[Answer] I don't want to make any predictions about what might happen or what will be done. Let's see what happens first before we think about what to do. We aren't sure that they will implement this. It's their law. But we must study things carefully. We have to see what effect this could have on us. Nothing will happen if Thai and Americans can work things out. We have relations with each other. We can discuss things together. Thus, I don't want to make any predictions. But if something happens, there will be losses.

[Question] Do you foresee any problems regarding exports to the United States?

[Answer] Exports are the country's primary source of income. Exports have generated rapid economic expansion. Statistics show that just 2-3 years ago, exports amounted to only 200 billion baht. In 1987, exports were valued at just 300 billion baht. By 1988, exports had reached 400 billion baht, an increase of about 100 billion

baht a year. Because of this momentum, things will not come to a sudden stop. This momentum will carry things forward. For 1989, our target is 500 billion baht, that is, an increase of 100 billion baht as compared with 1988. I think that this is possible. This is not a dream. We have held seminars to discuss the details. Those concerned, that is, planners, statisticians, and businessmen from the agricultural, industrial, and service sectors, have looked at things.

We held a meeting in Cha-am. We discussed things for 2 days. We discussed how much will be produced this year and whether we can increase production 5-6 percent. We discussed what things will show a small decline in production. We concluded that exports will increase to 500 billion baht this year. This is possible. But I won't become careless. We will try to monitor things each period to see if things are on target. This is an important matter. Thus, as far as the Ministry of Commerce is concerned, we must try to hit the export targets that have been set. If we can exceed the targets, that would be even better.

It must be admitted that the United States, Japan, and the EEC are our three main markets. We sell almost 60 percent of our goods to these three groups. The rest is sold to various other countries. These three groups are developed countries that have great purchasing power. And they buy goods from us regularly. Because they make purchases on a regular basis, they can't suddenly stop purchasing goods from us. People who have been using our goods want to continue purchasing these goods. I don't think that this will cause trade with the United States to decline. But it must be recognized that these three groups are developed countries. They have protectionist measures. Thus, we can't sit by idly. We must look for new markets, such as in Eastern Europe, the newly industrialized countries in Asia, and even in neighboring countries such as Laos and Cambodia. We must increase trade with these countries. Even though trade with each country may not amount to that much, altogether, it will amount to quite a lot. I have also implemented a policy of opening markets in Africa and South America.

We will expand our trade markets to other countries besides our three principal trading partners. I don't think that this will have any overall effect on exports.

[Question] Japan and Taiwan have large investments here. They use us as an export base. For example, problems arose in the "mini bac" case. That is, there were CVD (countervailing duties). Have we taken steps to solve such problems?

[Answer] As for these investments, it must be admitted that these are Japanese investments. The Japanese feel that the Thai government supports investment. And they are right. Our policy is to attract foreign investors. But we have our own objectives. We want to create jobs for Thai and expand growth in the rural areas. Thus, we have told those who want to invest here that they must

build factories in the provinces. That they can't build them in Bangkok. We want to create jobs for people in the provinces. In the "mini bae" case, they built a factory in Ayuthaya. They brought in technology. Japan has high technology. They use Thai to produce materials that will be sold abroad. Because of the high technology, the good-quality labor force, and the low production costs, they can compete on American and European markets. They have a good market share. Production is quite fast, and they make a profit. American and European "mini bae" competitors have said that the "mini bae" produced in Thailand have taken a large share of their markets. American producers have complained to their government. The United States has said that because the Thai government has provided support for this.... They have observed the support provided and said that the support amounts to 18.4 percent. They claim that we provide various types of support, the BOI (Board of Investment) and utilities. They have complained about this, and the United States has said that if we continue to provide support, they will collect a tariff. They told them to go ahead and collect a tariff. They have said that they will be happy to do this. They have said that if 18.4 percent is collected, they will increase the price there. They know that their price is good. They don't care. They have told us that if the United States collects a tariff, they can collect it either here or there. We are now in the process of discussing whether this will be collected here or there. But they don't care. They know that they will make a profit.

[Question] We would like to see the investment trend, because during the past several years, Japan, South Korea, and Taiwan have increased their investment.

[Answer] That's true. The government is quite concerned. We must reconsider investment promotion. For the time being, I think that we must promote investment. But in doing this, Thai must play a role in making investments. The initial criterion could be that each side must put up half the investment funds. And over a certain number of years, they must transfer technology. The Thai share might have to increase from 50 percent to 60 or 70 percent. These could be some of the stipulations so that the benefits go to the Thai people or Thailand. I think that the government will have to review its investment promotion line.

[Question] Today, the United States and Canada are forming one class, and the European market is one market. Economic relations are becoming more and more narrow. The same is happening in Asia. Thailand is part of this. What steps have we taken to improve the structure?

[Answer] Actually, Europe is trying to unite. The United States has both North America and South America. But South America can't participate and so the United States and Canada are trying to unite. They have almost succeeded. Thailand will definitely have to join. We are a part of ASEAN, which is composed of six countries. Together, we have several hundred million people. Later on, we will form an Asian-Pacific group. That will

include Japan. We have to form a large group so that we can bargain with them. At present, we are trying to strengthen ASEAN. At the ASEAN economic ministers conference held at Phataya, we talked about the necessity of joining together. We discussed the first things that need to be done. For example, we should exchange the production of automobile parts. We can buy and sell at reduced tariff rates. We can exchange things in order to reduce each country's production costs. ASEAN will be a joint group like those in Europe and America.

We are considering this. I have formed a committee to monitor the formation of a single European market. We have to know what effect this will have and what we should do.

[Question] In actual practice, will there be any problems in forming an ASEAN market?

[Answer] No. Suppose that we export goods. Suppose that demand for a certain item is 100 percent and that we produce 10 percent and they produce 8 percent. Together, we produce 18 percent. We sell the item on world markets, where demand is 100 percent. There won't be any problems. This will facilitate things, because we can agree on a price. We will have greater bargaining power.

[Question] If we form a larger group, there will probably be more problems. For example, if we form an Asian-Pacific group.

[Answer] We won't be the leader in forming an Asian-Pacific group. But we are a leader in ASEAN. But as far as the Asian-Pacific group is concerned, we must let Japan take the lead.

[Question] How do you feel about the role played by the prime minister's policy advisors? During the negotiations with the United States, were there any problems?

[Answer] The advisors and I don't have any channel to communicate with each other. I am a minister. I have to adhere to the cabinet resolutions. I don't have any problems with the advisors, because we don't have any contact.

[Question] Some newspapers have reported that the advisors were accused of "intellectual vanity." They have said that some of your people said this. What really happened?

[Answer] I have read the newspapers. Those are English words, and my English is not that good. Whoever said that speaks English quite well. It could have been a foreigner. I don't really understand this, but I did read that. Whoever said that must be quite fluent in English. I had to look up the meaning in a dictionary. I don't think that someone with a limited command of the English language said that.

[Question] What about the problem of joining the government?

[Answer] There aren't any problems. I am in the cabinet. I don't see any problems after cabinet meetings.

[Question] What about the conflict over foreign policy?

[Answer] Actually, there isn't any conflict over policy. But in some instances, problems may arise in implementation. But I don't think that the policy will change.

[Question] Has this been discussed within the Social Action Party?

[Answer] No.

Ex-Fo. Ministry Aide on USSR Ties
42070050 Bangkok MATICHON SUT SAPDA in Thai
8 Jan 89 pp 57-59

[Article by Arun Phanuphong, the former deputy minister of foreign affairs and former Thai ambassador to the Soviet Union: "Thai-Soviet Relations"]

[Excerpts] A Strange Relationship

Relations between Thailand and the Soviet Union, which is often referred to as Russia, are somewhat strange in that although official relations were established 90 years ago and although relations have always been fairly good, they have not developed very much.

Our two peoples began having dealings with each other about 125 years ago. But we still don't know or understand each other very well. Our two countries have never been in direct conflict with each other, but we have never developed a very close relationship with each other. It seems that it will be a long time yet before we establish good mutual relations with each other even though both sides have expressed a desire to establish closer relations.

This Thai-Soviet exhibit shows that both countries are making another effort to reach this goal, which is a very welcome sign.

Views

Why has it been so difficult to develop a closer relationship, which is what both sides want? Isn't it time that both sides showed their sincerity by making a concrete effort to improve Thai-Soviet relations? In view of the fact that both countries want this and stand to benefit from better relations, what should the path of Thai-Soviet and Soviet-Thai relations be? We should think about these questions and try to find answers by looking at the situation in the past, analyzing the present world situation, and looking toward a future in which we have good bilateral relations with the Soviet Union. [passage omitted]

The Age of Gorbachev

After Mr Gorbachev came to power, the Soviet Union changed political directions on both the domestic and foreign fronts. Many countries have viewed glasnost and perestroika as positive steps. The Soviet Union has

switched from carrying on ideological aggression to creating an atmosphere for development, from engaging in confrontation to trying to relax the situation, from putting the emphasis on building ideological influence to stressing economic matters, from using power to lead the way to using politics and diplomacy to lead the way, from focusing its attention on Europe to giving more attention to Asia and the Pacific, and from focusing its efforts on the arms race to trying to bring about an arms reduction. It seems that the Soviet Union has become less suspicious and more confident.

The statements issued by Mr Gorbachev at Vladivostok in July 1986 and in Delhi in November that same year created the best atmosphere ever for Thailand and the Soviet Union, that is, for changing the strange relationship mentioned above and putting it on the right path. This has paved the way for establishing a more friendly relationship and expanding our mutual interests.

Problems

Looked at from Thailand's standpoint, there are three main problems that are hindering the development of Thai-Soviet relations. Both Thailand and the Soviet Union need to consider these problems:

1. The problem of trust.
2. The problem of understanding.
3. The Cambodia problem.

As for the matter of trust, the Soviet Union does not have a problem with Thailand with respect to security or interests. Thailand is located far from the Soviet Union, and it is a very small country as compared with the Soviet Union. Thailand can't create such problems for the Soviet Union. But the Soviet Union is a superpower. Not too many years ago, Thailand felt, rightly or wrongly, that the Soviet Union wanted to expand its ideological influence and power using both direct and indirect means. It was thought that all of the Soviet Union's activities were directed toward that end. In many instances, Soviet proposals were viewed as insincere or as propaganda ploys.

As for the problem of mutual understanding, in the government sector, there has been increased contact and this has led to better mutual understanding. But there has not been much contact between people in the private sector. The Thai people know a little about the Soviet Union from their history classes, from books, and from the news. Some people have had a chance to travel in the Soviet Union for 5-7 days. But very few Soviet citizens know anything about Thailand.

Soviet officials who are stationed in Thailand or who travel to Thailand have a chance to come in contact with the Thai private sector and Thai outside government circles. But Thai, whether from the public or private sector, have very little chance of meeting Soviet citizens.

Because there is little contact and little mutual understanding, each side has tended to view the other negatively. As a result, we have tended to stay apart instead of trying to find a way to improve relations, which would benefit both sides.

The Cambodia problem has caused great difficulties for Thailand. Our sovereignty has been violated, there has been an influx of refugees, and there has been a real danger of war breaking out. Thailand feels that the Soviet Union can play an important role in either solving this problem or letting it drag on.

Today, the Soviet attitude is one of wanting to cooperate more. If the Cambodia problem can be solved, this obstacle will be removed, and this will lead to better mutual understanding on other fronts.

The Chances of Developing Relations

It's time that all sides took steps to solve the three problems discussed above. This will lead to a rapid improvement in Thai-Soviet relations. In today's world, great distance is no obstacle to developing mutual relations if both sides are sincere about wanting to achieve concrete results on this front. We must look beyond the surface and become serious, which will lead to mutual understanding and trust.

The improved situation today will help promote better relations, better than ever before. Previous administrations and the present administration have all had a policy of expanding contact and improving relations with all countries. In the case of the Soviet Union, there is still much room for improvement. The important thing is that both sides must be more broadminded and try to help each other.

As for Thai-Soviet relations in the future, there should be concrete development on the political and economic fronts and greater contact between our two peoples.

1. The Political Front

On the political front, there should be greater contact at various levels. The prime minister of Thailand led a group of government officials and people from the private sector on a trip to the Soviet Union around the middle of the year. That provided an opportunity to exchange ideas and get to know each other better and should lead to closer agreement on various problems. As for those issues on which we disagree, we should be able to reduce the gap separating us.

The Soviet premier will visit Thailand around the middle of next month. That will give one of the highest-ranking Soviet leaders ever to visit Thailand a chance to know Thailand and the Thai people. He will meet with Thai leaders and exchange views on world problems and the problems facing each country. They will also discuss

matters concerning bilateral relations. This visit represents a new and important step forward in Thai-Soviet relations. There should be more top-level meetings and joint communiques.

2. The Economic Front

The chances of improving economic relations, which could lead to concrete results, look very good.

- Thailand wants to increase trade with all countries. We want to expand our markets, particularly at a time when trade protectionism is threatening our normal trade.
- Even though the volume of trade between our two countries has declined during the past 2 years as compared with previous years, that is, an increase of approximately 2 billion baht, it is thought that Thailand has many types of goods that the Soviet Union would be hard pressed to find elsewhere in terms of price and quality. And the Soviet Union has many types of goods that Thailand needs.
- What must be done is to find a fair way to make trading and the payment of money owed more convenient given our two economic systems, that is, a state-controlled socialist economy and a market economy. In a socialist economy, the state makes all the decisions about buying and selling. But in a market economy, it is people in the private sector who make the decisions. The goods produced by both countries must be competitive with goods from other countries in terms of price and quality. There must be after-sale service and certainty in trading. Trade can't be sporadic or be based on political reasons.

Thailand has the potential for being a good market for Soviet goods of good quality. And this goes beyond Thai markets. Thailand could serve as a center for the distribution of Soviet goods throughout Southeast Asia.

- At the same time, the Soviet Union should open its markets more to Thai goods. The Soviet Union is allowed to hold trade fairs in Thailand and so Thailand should have a chance to hold trade fairs in the Soviet Union so that Soviet buyers can get to know Thai goods.
- Counter-trade could solve some of the problems temporarily. But in developing trade, the focus should be on developing normal trade methods using the price mechanism. Restricting purchases to the amount that can be sold will hamper trade.
- Another matter that needs to be discussed is opening a port for goods. If a trade port were opened on the eastern coast of the Soviet Union, goods from Thailand and other countries in this region could be transported by ship to that port. From there, the goods could be transported to other parts of the Soviet Union and to countries in Europe.

3. Private Sector

As for general contact, besides cultural and sports exchanges, there can be contact between members of the mass media. There can be an exchange of information and cooperation on the tourist front. As far as these issues are concerned, Thailand doesn't have any problems. But because the Soviet Union is such a huge country, the people there have little chance to learn about Thailand. If they are given more opportunities to learn about us, there will be better mutual understanding.

Hopes

In summary, because of the desires of both our governments and our two peoples, who want to be friends, because the present situation facilitates the development of mutual relations, and because of the improved prospects for improving relations, it is believed that the new year will see our two countries making a sincere effort to restore and improve Thai-Soviet relations, which will benefit both countries.

Authority Signs Oil Supply Contract With Laos
BK2202045789 Bangkok BANGKOK POST in English
22 Feb 89 p 17

[Text] The Petroleum Authority of Thailand (PTT) yesterday opened a new chapter in the country's petroleum trading history by signing the first-ever contract to supply oil products to Laos.

The contract calls for the PTT to supply 48 million litres of four kinds of refined products to that country beginning this month. The value of the contract is estimated at 327 million baht.

The agreement was signed yesterday evening at a Bangkok hotel by PTT Governor Anat Aphaphirom and Lou-it Sisoulat, head of the Laotian oil authority, in the presence of Industry Minister Bahan Sinlapa-acha.

PTT officials said the agreement was the result of a directive given by Prime Minister Chatchai Chunhawan to normalise trade relations with Vientiane.

Thailand previously classified oil as a "strategic" product and banned exports of oil products to Laos when bilateral relations turned sour.

Laos previously relied on supplies of oil from companies in Singapore.

The oil supplies PTT is delivering to Laos include 13 million litres of regular gasoline, 32.85 million litres of high-speed diesel oil, and 2.15 million litres of lubricant oil and grease. PTT said the volume represents 36 percent of Laos' oil demand.

Four delivery points between the two countries' borders were agreed upon. They are: Nong Khai-Vientiane City Wall, Mukdahan-Savannakhet, Chiang Khon (Chiang

Rai Province)-Bor Kaeo and Chong Mek (Ubon Ratchathani Province)-Champassak.

In another move, the Thai Government has asked the PTT to study the possibility of establishing an oil supply contract with Kampuchea as part of its effort to improve trade.

Central Bank Supports Ventures in Laos
BK2002101189 Bangkok THE NATION in English
20 Feb 89 p 14

[Text] The Bank of Thailand has switched on the green-light for Thai individuals and corporate entities to participate in joint ventures while commercial banks can open branches in Laos with permission given on a case-by-case basis.

Phaisan Kumalayawisai, assistant governor of the Central Bank, said that the permission is in line with government policy to forge closer bilateral trade relations with neighbouring countries.

The monetary authorities have already studied various legal aspects and found no restrictions for the Thai currency to be used in transactions with Laos, either in imports or exports. The Thai private sector can also set up commercial banks in that country if they so desire.

Thai Farmers Bank is keen to invest in the communist country. It has formed a team to explore business opportunities and to ensure that there are no ambiguity in transactions.

Narong Sisa-an, senior executive vice president of the bank, said he just ordered the formation of the team which will travel to Laos on fact-finding missions.

Preliminary studies show that there exists a great potential for heavy investment to tap rich natural resources in Laos for commercial development. From his talks with Commerce Minister Subin Pinkhayon, it is possible for Thailand to invest in the construction of hydro-electric dams and coal mining.

But there must be measures to bolster the confidence of Thai investors and there must be clear understanding between authorities of the two countries. There exists a concern that since Laos is a communist country while Thailand supports free trade there is a question of guarantee against risks for Thai investors.

Narong also pointed out that Laos still does not have any legislation which recognizes the establishment of commercial banks. That country, so far, has district banks and an international bank with limited activities. "But if Laos is determined to support trade, it will eventually allow the opening of commercial banks," he said.

He supports the idea that the Thai baht should be used as the standard currency in trade. At present, currency transfers still require prior permission from the central bank. Narong said he had held talks with Governor Kamchon Sathirakun early last week.

Nevertheless, he foresees problems in the early period of banking business. "There certainly will be more loans than deposits and it will take quite sometime to convince Laotians to deposit money with banks. This is due to their fears that their financial position could be monitored by the government," he said.

He thinks that the most feasible way at this stage is for Thai banks to set up branches under the Laotian investment law which permits joint venture. But the bank will decide on this issue after the special team has made a conclusion after the fact-finding trips.

Phaisan of the Central Bank said so far there has been only one application from Khunying Suwanni Phuaphairot to invest in a joint venture with Laos in commercial banking. "But our consideration will be based on that country's investment law. We have to look at the financial position of the investors and the amounts of capital required for such ventures," he said.

Investment in banking in Laos will not come under the Thai commercial banking law or finance business law because it is regarded as simple private investments. Phaisan said Thai commercial banks seeking to open branches in Laos will also fall under the same category. It is not that licence is needed from the Thai Central Bank for doing banking business in Laos.

Central Bank officials also held talks with their Laotian counter-parts led by a deputy governor who was in Bangkok late last month to discuss this issue.

It was tentatively suggested that the Laotian side should command at least 51 per cent equity in commercial bank branches to be opened by Thai banks. Those showing interest to open branches include Bangkok Bank, Thai Farmers Bank, the state-owned Krung Thai Bank, and Siam Commercial Bank. In addition to Thai Farmers, other banks have also despatched teams on fact-finding missions as well.

Phaisan foresees no obstacles in using the Thai baht as the standard currency. But he cautioned that in future Laos may want to have other hard currencies as the medium for transactions and this could affect Thailand's foreign reserves position.

"Though we have no objection in the use of the baht in transactions, there will be limits when traders want to exchange the baht into other currencies for transactions. This is to protect our foreign reserves," he said.

The central bank reported a steady growth in the foreign reserves which stood at \$7.6 billion at the end of January. Inflow of foreign capital continues unabated and the surplus in the balance of payments in the same month amounted to Bt1 billion due to rising export earnings, revenue from tourism and private-sector borrowings.

The Central Bank expects continuing inflow of foreign funds particularly after the waiver of the withholding tax on loans whose repayment period exceeds three years.

Officials on Trade, Transport With Socialist Countries

BK2002085189 Bangkok Domestic Service in Thai
0000 GMT 17 Feb 89

[Interviews with Communications Minister Montri Phongphanit and Commercial Aviation Department General Director Sisuk Chantharangsuk, on trade relations with Indochinese and other socialist countries, by correspondent Phunsap Phutthachai—passages recorded, date and place not given]

[Text] The Communications Ministry is preparing for the opening of trade relations with our Indochinese neighbors. The following is an interview given by Communications Minister Montri Phongphanit to correspondent Phunsap Phutthachai of the Public Relations Department.

[Begin Montri recording] There is preparatory work to be done at my ministry, as well. For example, it will be the responsibility of the Highway Department to draw up a plan if we are going to build a bridge across the Mekong River. Or it could be the responsibility of the Public Works Department. Well, I still do not know because there has been no instruction from the cabinet yet. Anyway, we know that we have our share of work, too, concerning communications, such as an underwater cable project. This must be gradually worked out. Before anything could be carried out, we must wait for policy direction from the government and the Foreign Ministry. But we have to be ready to carry out the work at once when they tell us what to do. [end recording]

Concerning the opening of aviation service with those countries, the director general of the Commercial Aviation Department, Sisuk Chantharangsuk, said that steps have been taken with some of those countries. He said:

[Begin recording] [Sisuk] Of the Indochinese countries, we already have aviation agreements with Laos and Vietnam. Now we have a policy to improve or expand flights with them because there are a much greater number of passengers at present flying on the Bangkok-Vientiane and Bangkok-Hanoi routes. We are seeking an amendment of the agreements in order to increase the number of flights and use better aircraft for the service.

[Phunsap] Have we conducted talks or devised any plan on commercial flights with other socialist countries in Europe?

[Sisuk] We already have agreements with several countries in East Europe, such as Romania, Yugoslavia and the CSSR. According to the policy given to our department, we are supposed to seek agreements with any East European country which is interested in concluding an aviation agreement with Thailand. We already have agreements with three or four countries. As I have already mentioned, they are Romania, CSSR and Yugoslavia. The two countries—Romania and Yugoslavia, already have flights to Thailand. [end recording]

Ten Percent VAT To Be Introduced 1 Jan 1990
BK2102112789 Bangkok BANGKOK POST in English
21 Feb 89 p 19

[Text] The Excise Department is expanding its role to support the new value added taxation (VAT) system which is scheduled to be introduced on January 1, 1990.

A senior Finance Ministry official said the ministry would like to change the role of the Excise Department as the new system will make all products and services subject to a 10 percent tax.

He said there would be 14 separate product items subject to both VAT and excise taxes as they are considered luxury items.

Nine items are currently liable to excise tax, but this will be increased to 14 when VAT is imposed.

The luxury goods will be subject to the basic 10 percent VAT rate on top of excise duties. That means duty on the 14 products will be collected by both the Excise and Revenue Departments.

The Excise Department will play an increased role in taxing luxury goods, a role now played by the Revenue Department through a business tax on most luxury items.

Luxury items now subject to business tax include cosmetics, cars and electrical appliances.

The change will mean the department will no longer have a role in taxing luxury items.

The taxation of luxury items will be transferred to the Excise Department when VAT is introduced and it will use its excise tax to adjust rates on each item on top of the basic 10 percent VAT rate.

The nine luxury items now subject to excise tax collection are spirits, snuff, tobacco, cement, non-alcoholic beverages, playing cards, matches, oil and oil products.

The six new luxury items to be listed in 1990 are cosmetics, motor vehicles, electrical appliances, sports goods, musical instruments and horse racing and entertainment admission fees.

The department plans to expand the list further to cover other luxury items.

The price of products will be taken into consideration in deciding whether they are luxury or not.

Wrist watches now pay 9 percent business tax, but the more expensive ones may be considered luxury items in the future.

The ministry official said the department needed more economists to research the structure of the excise tax rate to support the new policy.

POLITICAL

New Regulations on Agricultural Cooperatives, Production Collectives

42090115a Hanoi NHAN DAN in Vietnamese
30 Nov 88 p 2

[Article: "Council of Ministers Regulations on Reorganizing and Revamping the Management of Agricultural and Forestry Cooperatives and Production Collectives"]

[Text] Section I: Reorganizing Cooperatives

This section consists of five articles, the main contents of which are as follows:

Agricultural and forestry cooperatives and production collectives are voluntary economic organizations of farmers established under the leadership of the party and the direction and assistance of the state. They operate in accordance with the principle of self-management, are accountable for the returns from their production and business, have the status of an individual under the law, and are equal under the law with other economic units. They are responsible for developing upon the superior nature of socialist production relations.

On the basis of area planning, specific natural, economic, technical and social conditions, the management qualifications of cadres, the occupational skills of cooperative members and the guidance provided by the upper level cooperatives establish the forms and scale of their organization, their production and business guidelines and tasks, their mode of management and methods of distribution and product marketing with the aims of strongly developing commodity production, constantly increasing the income and raising the standard of living of cooperative members, accumulating capital for expanded reproduction and the welfare of the collective and fulfilling obligations to the state.

Cooperatives organize production and socialist business accounting along specialized lines combined with a general business in many different types of products in a manner which closely ties agriculture to forestry and fishing, closely ties agriculture, forestry, and fishing to the processing industry and the various trades. They must combine production and processing with circulation and the services and create the conditions for assisting the household economy, for developing and establishing integration with other economic units and with scientific-technical organizations and the other segments of the economy by means of the products they produce with a view toward making efficient use of arable land, labor, material-technical bases, self-acquired capital and loans in order to accelerate production.

Cooperatives must concern themselves with building material-technical bases and organizing the services supporting production and everyday life well with the aims of meeting the requirements involved in expanding

agricultural production, forestry and fishing, and effectively developing the trade sector in order to provide jobs and raise the income of cooperative members and the cooperative itself.

The size of cooperatives must be stable in order to develop production. In the lowland and midland provinces of the North and the coastal provinces of central Vietnam, it is necessary to strengthen those village-size cooperatives that are generating low returns from their production and business. In the foothills, agro-forestry or forestry-agricultural cooperatives should be organized on the scale of mountain villages. In the Central Highlands and high mountains, cooperatives that are operating efficiently must be strengthened. In Nam Bo in the years ahead, it is mainly necessary to strengthen production collectives in the direction of expanding production and business, revamping their management, building material-technical bases, raising the standards of cadres, and establishing integration and joint businesses among collectives and with other economic organizations and scientific-technical organizations in order to create the conditions for eventually organizing joint-collectives or cooperatives of appropriate size.

As regards weak and deficient cooperatives, an analysis must be conducted to correctly determine the causes of their situation and steps must be taken to effectively strengthen these cooperatives, such as appropriately changing the structure of their production, strengthening their material-technical bases, improving their management methods and selecting competent cadres who possess good personal qualities and have the trust of cooperative and collective members.

In cases in which it is necessary to adjust the size of a cooperative (which includes both cooperatives that are too large and cooperatives that are too small) to form a cooperative of appropriate size, the necessary conditions must be properly prepared to insure that production develops without causing disorder.

Efforts to improve cooperative management must insure that the highest power of the Congress of Cooperative Members (or Congress of Cooperative Member Representatives) is realized so that each cooperative member truly participates in the management of production and business and all other work of the cooperative.

Efforts to strengthen the cooperative management apparatus and the assignment of cooperative cadres must result in a streamlined and effective apparatus and constantly raise the organizational and management standards of the apparatus as well as improve the abilities and qualities of cadres.

Section II: Revamping the Agricultural Cooperative Management Mechanism

Article 6: Cooperatives formulate their production and business plans on their own on the basis of area planning, the production incentive policies of the state, economic contracts signed with state-operated economic units and

other economic organizations, the needs of the market, and their own production capabilities. The production-business plan of cooperatives and production collectives are to be democratically discussed and decided by cooperative members or a congress of cooperative members. The plan of the cooperative must clearly reflect close ties and support between the collective economy and the household economy of cooperative members in the following areas: materials, services, technology, the integration of production and business, and the processing and marketing of products. The cooperative must take the initiative in opening sources of materials with which to implement its plan on the basis of contracts for the procurement, sale or trade of materials and products, or through integration or joint businesses with units or individuals. The state, instead of assigning legally binding norms directly to cooperatives, will manage, direct, and assist production and business cooperatives through the system of economic leverage policies and the law.

Article 7: The cooperative has the authority and the responsibility to make efficient use of all the land (cropland, forest land, and water surface) put under its management by the state to use in accordance with the production planning of the area. The cooperative must adopt a plan and measures for using this land in a way which yields high economic returns. The practice of setting aside arable land for common use by the cooperative should be limited and must be discussed and decided by the Congress of Cooperative Members and implemented in exact accordance with the Land Law. The households, groups of households, or individuals who contract with the cooperative to use land must be responsible for making good use of this land and may not allow it to lie fallow.

The cooperative must calculate how many machines, farm implements, and draft buffalo and cattle it must keep for use as common means of production and to provide services for households in difficulty that are unable to purchase them. The remaining means of production must be sold to households or groups of households of cooperative members who possess the ability and experience to manage and use them in accordance with the plan and the contract accepted from the collective. The selling price of means of production must be a reasonable price negotiated by the cooperative and the buyer. All the revenue from the sale of means of production must be included in the production capital of the cooperative. The cooperative must encourage and support cooperative members by making loans to them or helping them to obtain loans at the bank to develop the raising of buffalo and cattle or purchase tools and small machines for the purposes of insuring that the contract they accept is fulfilled and developing the household economy. The cooperative must adopt regulations on the use of machinery, farm tools, and draft buffalo and cattle within the cooperative and set prices for each type service in order to satisfy the interests of and establish a good relationship between persons who have machines, farm tools, buffalo and cattle, and persons who use them.

Article 8: The cooperative may take the initiative in mobilizing and utilizing capital from every available source for production and business, such as increasing its self-acquired capital through expanded reproduction, encouraging cooperative members and the people who have capital to contribute much to the collective through shares under a reasonable distribution policy, acquiring capital through economic integration, or borrowing money from the bank. The cooperative has the authority to borrow capital from relatives of cooperative or collective members overseas for use in production. This money must be sent through the Foreign Trade Bank and the cooperative is responsible for repaying this loan in foreign currency or in goods which are permitted to be exported. Cooperatives which possess foreign currency may open an account at the Foreign Trade Bank and borrow capital in the form of foreign currency or purchase foreign currency at the Foreign Trade Bank with which to import materials and equipment for the cooperative's production.

Article 9: The cooperative must pay the taxes due to the state in accordance with the law. In addition to taxes, which are an obligation, the trade relations between the cooperative and state-operated economic organizations are relations between equal parties with negotiated procurement and selling prices.

The cooperative may sign economic contracts with state-operated economic organizations for the supplying of materials, services and the procurement of products in accordance with its annual or seasonal production plan. It is responsible for fully executing the contracts it signs.

In addition to the materials purchased from state-operated organizations in accordance with plan norms and economic contracts, the cooperative may look for additional materials on its own from other sources through joint businesses or integration with other economic units or through direct purchases on the market to meet production and business requirements.

After paying taxes and fulfilling contracts, the cooperative has the authority to use the remaining product or market it where it will earn the greatest profit.

Article 10: The state encourages cooperatives to develop the production of additional agricultural, forest, and fishing products for exportation and small industry and handicraft products for exportation outside their contracts with state economic agencies. Cooperatives have the authority to choose which export-import organizations of the state will represent them in exporting goods and importing materials and equipment for production, the authority to integrate, in accordance with the principles of voluntary association, equality and mutual benefit, with production and business organizations which support export activities and are guaranteed the right to use foreign currency to import materials for expanded reproduction.

Article 11: The state encourages cooperatives to cooperate with scientific-technical research agencies and

schools in many different ways to rapidly introduce scientific-technical advances in production. Scientific-technical achievements of cooperatives or cooperative members, if registered with the proper functional agency of the state, will be protected and eligible for awards and bonuses in accordance with general regulations. High quality products resulting from the application of advanced technologies shall be treated the same as equivalent products of state-operated economic organizations. Cooperative technical and management cadres may be sent for training at schools of the state in accordance with cooperative requirements and the policies and regulations of the state. Upon the completion of training, they are to return to work at the cooperative and be remunerated by the cooperative in a manner commensurate with their contributions.

Article 12: Cooperatives must continue to refine the final product contracts with groups of households, cooperative member households and individual laborers or with production teams and units in accordance with the specific conditions of the trade sector at each place and in a manner which closely ties the production plan to the distribution plan from the very outset with the aim of meeting the following requirements:

1. Implementing product contracts in all production and business sectors, in all technical service jobs and in management work within the cooperative.
2. Constantly developing production and effectively developing the economic potentials of the collective to insure that everyone has a job and an income on which they can live, beginning with families of war dead and disabled veterans, families who have contributed to the revolution, and needy families.
3. Establishing correct relationships among interests, particularly guaranteeing the legitimate interests of producers, most importantly rice growers.

Article 13: The cooperative must know precisely how much land it has and formulate planning for production, the allocation of crops and necessary conditions in order to organize the granting of contracts in a manner consistent with each type crop and species of livestock and with each trade. The various forms of contracts, quotas, unit prices, and the method of distribution within the cooperative must be properly prepared, be determined by the Congress of Cooperative Members through democratic debate and be carried out openly.

1. Annual crops:

On the basis of how much labor and land they have, cooperatives must parcel out an appropriate amount of land to each household or group of households with a view toward meeting the basic need for grain and rapidly increasing the supply of commodity grain. Where possible, persons skilled in a trade should be encouraged to shift to this trade and return cropland to the cooperative so that additional land can be parcelled out to crop growers. Households that are skilled in crop production

and have labor, materials, and capital should be given much more land under contract, particularly at places that have much cropland. The length of these contracts should be about 15 years. Contract quotas should be consistent with farming conditions on each class of soil and other material conditions, be determined by the Congress of Cooperative Members and remain stable for 5 years, being revised only when material-technical conditions change. Contract output must be calculated for the entire cycle of rotation cultivation in accordance with the structure of primary products stated within the contract.

Ceilings on material-technical costs and labor quotas must be calculated for each class of soil and based on production standards and the economic-natural conditions of the locality in order to guide persons who accept contracts in applying them in production and in the signing of contracts for services and material-technical trade.

A person who accepts a contract has the authority to control the entire process of production on the land for which he accepted the contract in accordance with the structure of production and the plan of the cooperative; to choose to sign a service contract with the cooperative or with an individual in accordance with his production requirements and to exchange his labor or hire additional seasonal labor on a voluntary and negotiated basis.

The person who accepts a contract controls the entire product he produces after paying taxes and contributing to cooperative funds and management expenses (decided by the Congress of Cooperative Members) and after paying service costs and fulfilling commitments made to trade materials produced under the contract that was signed.

2. Perennial crops and forest crops: granting the right to use land must be combined with the management of crops through suitable forms of contracts:

—In the case of newly planted land, a contract can be granted for the entire production cycle, from the time that the ground is prepared until the product is harvested, or granted for each stage of work.

—In the case of existing industrial crops and forest crops, a contract can be granted for cultivating, protecting, harvesting and delivering products in accordance with established quotas for the entire production cycle for each type crop and forest.

The amount of land governed by an industrial crop or forest crop contract depends upon the productivity of the land or forested hills of the cooperative and the production capacity of each cooperative member household. On this land, the person who accepts the contract may raise companion crops and harvest subsidiary agricultural and forest products without having to pay taxes.

In the case of bare ground and barren hills, there is no limit on the amount of land that the cooperative can contract out to cooperative member families. The length of contracts for perennial crops and forested hills is from 30 to 50 years. During this period, the person who originally accepted the contract is permitted to transfer the rights to use this land to another person. At the expiration of the contract, an extension can be granted.

Article 14: The cooperative must take measures to organize, encourage and assist cooperative members in developing the raising of livestock, poultry, bees, and fish, primarily within the household. The cooperative must organize the production of feeder stock and feed so that it can contract with cooperative member households to raise livestock or organize collective livestock production and provide technical instruction and veterinary services.

Cooperatives should let out on contract to households or groups of cooperative member households or accept contract bids on bodies of water (including lakes) that can be used to raise marine or aquatic products. Cooperatives should let small ponds out under contract to cooperative members for pisciculture and deduct this area from the amount of land used in the household economy.

Article 15: As regards the other sectors, appropriate forms and methods of contracting should be adopted based on the special characteristics of each sector:

—In those sectors in which production is concentrated in worksites and the work is done on a production line basis, contracts should be assigned to teams and groups of laborers on the basis of setting material cost ceilings and paying piecework wages based on the product delivered. Trades in which the cooperative does not have experience or which it cannot perform efficiently can be contracted out to cooperative members to perform.

In the case of sectors and trades in which production is decentralized and can be performed by individual households, households or groups of households can be contracted to perform a particular stage of work or to process raw materials and supplies and deliver semi-finished or finished products to the cooperative with the cooperative paying the cost of materials and a piecework wage on the product delivered.

—As regards service activities which support the requirements of persons who accept contracts, such as irrigation, the preparation of fields, the protection of crops and livestock, the supplying of materials, transportation, product marketing and so forth, the cooperative must organize these activities on its own or act as the agent of service agencies of the state in order to provide the conditions needed to support the production and business of persons who accept contracts.

The cooperative must clearly set the cost of each type service to lay the basis for contracts and payment

between persons who accept contracts and the units or individuals who provide these services.

Article 16: On the basis of the scale of the cooperative's production and business, the Congress of Cooperative Members decides the per contract cost of cooperative management cadres, which includes administrative costs and the remuneration of cadres. These costs are not to exceed 1 percent of the value of output, or contract output.

Article 17: Every sector within the cooperative must practice cost accounting to insure that its income rises and its costs decline without making it necessary for the crop production sector or another trade to be subsidized. The cooperative must regulate the income of the various sectors and trades through the percentage of income contributed to the funds of the cooperative by each sector.

Article 18: The cooperative must practice primarily distribution in accordance with labor combined with distribution based on cooperative member shares and the other forms of distribution. Payment in workpoints and distribution based on averages must be abolished and replaced with direct payment in product and money. With regard to persons who accept crop production contracts, the cooperative must insure that cooperative member households which accept contracts keep about 40 percent of their contract output or more depending upon the number of persons per household.

On the basis of the specific conditions of each cooperative, the Congress of Cooperative Members shall decide the amount to be deposited and left in the various funds by each sector, specifically:

- The production development fund, which is used to build material-technical bases and expand production;
- The welfare fund, which is used to meet cultural, social, and collective welfare needs;
- The production insurance fund, which is used to guard against natural disasters and crop losses.

The Ministry of Agriculture and Food Industry shall instruct cooperatives in how to manage and use these funds correctly.

Contributions to the village budget are not to be evenly divided per unit of land under contract to cooperative members and borne solely by them. The cooperative can contribute up to 10 percent of the welfare fund to the village budget. Beyond this, the cooperative need not make any other payment to the village or the sectors on the upper level.

In order to have grain to sell to households that lack grain, to sell for use in raising feeder stock and developing the trades, the cooperative is permitted to meet these needs by taking grain from its production development fund and the public welfare fund and selling it at negotiated prices.

Article 19: The cooperative has the responsibility of giving priority to providing jobs in suitable sectors and giving contracts for good fields near their homes to families of disabled veterans and war dead and families that have served the revolution who lack labor. The cooperative also has the responsibility of mobilizing the people to assist these persons with strenuous work during the growing season or provide them with equipment so that they can carry out production. If these families encounter difficulties, the cooperative may exempt them from contributing to cooperative funds or reduce their contribution. If they are encountering extreme difficulties, the cooperative can partially subsidize them through the welfare fund or mobilize cooperative members to provide assistance.

As regards village and cooperative cadres, the cooperative can, depending upon its capabilities and conditions, assign them appropriate production jobs and contract fields so that they can work and produce to increase their income.

Article 20: The cooperative has the responsibility of encouraging and assisting cooperative members in developing the household economy in order to raise their income and supply many more products to cooperative members. Cooperatives must re-examine their cropland and readjust the amounts of land being used in the household economy in accordance with the Land Law. They must assist cooperative members with tools, seed, capital, materials, the processing and marketing of products and science-technology. They must establish integration in production between the household economy and the collective economy in order to develop the household economy in accordance with area planning and the planning of the cooperative in a way which insures that cooperative member families are able to fully utilize their labor and capital in developing production and raising their income.

Section III: The Articles of Enforcement State:

These regulations apply to all agricultural, forestry, and fishing cooperatives and production collectives nationwide. All previous regulations which conflict with these regulations are hereby repealed.

MILITARY

VPA Facing Demobilization, Consolidation 42090139

[Editorial Report] In an article entitled "The Army Falls Back Into Line," published on page 3 of the 11 January 1989 issue of Paris LE MONDE, special correspondent Jean-Claude Pomonti reports current high-level thinking on demobilization and reorganization in the Vietnam People's Army (VPA) in an interview with General Nguyen Van Thai of the Ministry of National Defense's Political Department. According to Gen. Thai, the VPA currently has about 1 million men but no longer has the resources to remain at this level. With over half a million

young men reaching draft age yearly, the VPA now enlists only one out of every two eligible recruits. The Army will further reduce its numbers with the demobilization of some of the troops returning from Cambodia.

Furthermore, according to Thai, because priority is now being given to "rebuilding" the armed forces through consolidation, the VPA is aiming to reduce its strength to a maximum of 700,000 men, including 150,000 "professionals" in the Air Defense, the Air Force, the Navy, and the Naval Infantry. The objective is to end up with "a core of professionals" who could be backed up when necessary by some 3 million reservists.

The article also reports on the Vietnamese 7th Division, an infantry unit of about 10,000 men that returned from Cambodia in December. Pomonti visited the unit at its headquarters at the former American base in Phu Loi, about 40 kilometers west of Saigon. The commander, Lt Col Dao Van Loi, is at 41 one of the VPA's youngest division leaders. Lt Col Loi disclosed that 300 of his men were killed during the 10-year campaign in Cambodia. Loi stated that morale was good and no one deserted from his division, but he also admitted that there were "escapades": "When their families are nearby, sometimes soldiers are gone for 2 or 3 days without permission." Presently, except at the entrance to the base, none of the soldiers is armed. The reporter noticed other soldiers around the base with seemingly nothing to do. The 7th Division maintains self-sufficiency through fish farming and tree farming.

Conference Reviews 1988 Military Inspection Work

42090127b Hanoi QUAN DOI NHAN DAN
in Vietnamese 28 Dec 88 p 1

[Article by Pham Minh Chau: "Army Inspection Progresses During 1988 but Lacks Comprehensiveness and Still Fails to Meet Mission Requirements"]

[Text] The inspector general recently held a conference to review inspection work throughout the military during 1988.

Although inspection agencies at all levels remained unstable in staff and organization aspects during 1988, the inspector general agency firmly coordinated with commanders and lower level inspection agencies to inspect more than 70 units from the regimental to the military region, corps and branch levels. Inspections in these units uncovered unresolved problems for the commanders and proposed methods for overcoming them. Unit difficulties were recorded by the inspection group and proposals for methods of solution were made to upper echelons or responsible agencies; this procedure had an effect of stimulating units to better mission completion, and of eliminating difficulties for the basic unit.

The conference also raised some unresolved aspects of the inspection task during 1988, that inspection is still

not comprehensive regarding rear services, finance and technology, and complaints were resolved but only a few, not meeting the requirements created by these work aspects. The problem of ensuring political security, order and safety in the army must be further emphasized to assist in restoring discipline in the army in particular and in all society in general.

Concerning the course and mission for inspection work during 1989 and 1990, the delegates unanimously agreed with the ministry to quickly designate the staff and position of inspection agencies at two levels (strategic and campaign). At the corps, branch, and provincial military agency level, study is necessary to staff cadres engaged in full-time inspection work. The conference also suggested that methods are needed to provide advanced training in inspection operations for inspection cadres at all levels, first of all advanced training in professional knowledge and inspection operations for specialized sector inspection cadres and those engaged in resolving the complaints of military personnel.

Strength of Local Armed Forces Discussed

42090127a Hanoi QUAN DOI NHAN DAN
in Vietnamese 23 Dec 88 p 2

[Article by Dao Van Su: "What Ratio of Militia and Self-Defense Forces is Suitable?"]

[Text] For a long time, when local areas, agencies and basic units speak of building their militia and self-defense forces, they usually mention one universal principle: suitable quantity and assured quality. However, how much is a suitable quantity?

Suitable for each location and region or overall suitability throughout the country? Previously, a suitable quantity was calculated in accordance with the entire country and each region. Now, after guidance from the Militia and Self-Defense Department on surveying and evaluating the true state of militia and self-defense forces, local areas have proposed a suitable quantity for their militia and self-defense forces. In Military Region I, the militia comprises 5 to 7 percent in the midland region and 10 percent in the highlands with subward self-defense forces comprising 3 to 5 percent. Militia and self-defense forces of the Capital Military Region account for 4 to 4.5 percent. The militia accounts for 3 to 4 percent of the population of villages of 8,000 to 10,000 people, and 4 percent of other smaller villages. Self-defense forces in the heavy industrial sector consist of 12 to 15 percent and in light industry 10 to 12 percent. Self-defense forces in career administrative agencies comprise 10 to 12 percent. A number of northern provinces say their suitable militia and self-defense force ratio is 1.5 to 2 percent. The southern provinces all mention a higher militia and self-defense force ratio than the northern provinces. Observing the data above, it cannot be said immediately that any location has the most suitable militia and self-defense force ratio. However, if any location specifies that the strength of its militia and

self-defense forces does not rely upon scientific calculation methods of force deployment following the combat and defense mission characteristics of its own local area, that strength is unsuitable and will lead to a situation of building and organizing the militia and self-defense forces in a "whittling the foot to fit the shoe" style. Characteristic of our country, populations differ greatly between villages and distribution in different locations is concentrated or scattered, so establishing a militia based on a general ratio of the total population is impossible but instead must rely only on the operations and security mission of each location and each period of time. A force organization plan must be formulated from the basic level and approved by upper echelons. The self-defense forces must be handled in a similar manner. Any location that organizes production must organize self-defense forces. Therefore, the ratio of self-defense forces among workers and civil servants is at least 10 percent. However, with career administrative agencies (in the central as well as the local areas), organization of a self-defense force is not absolutely necessary but only agency protective personnel (who do not conduct an annual military training program). For coastal self-defense units, the ratio should be 90 to 100 percent because those to go to sea are usually in good health and have the same work conditions so must join in one self-defense organization to unite in production and in protecting the security of the coastal region. State farms and forests located along the border must also have a higher ratio than those in the rear in order to meet combat requirements when necessary. Mention of a suitable militia and self-defense force quantity is usually closely connected with the age level. Some think that because militia and self-defense force activity is of a voluntary nature, it is only necessary to stipulate an entry age (18 years) with no need to limit the service age. However, following this policy will create a reality of: many elderly individuals serving for many years in the militia and self-defense forces while many young and healthy youths are unable to participate. Moreover, because the militia and self-defense forces are both a mass organization and have an armed nature, it is necessary to stipulate an age level and to strictly implement annual exclusion regulations to build a constantly strong militia and self-defense force with sufficient ability to answer mission requirements. Based on the age of the reserves, many locations feel that during peacetime, an age level for male militia and self-defense personnel of from 18 to 40 and female personnel from 18 to 30 is appropriate. For female militia personnel, the age level should only be from 18 to 25. After 25, agricultural women in the lowlands and highlands are usually raising small children and shouldering the responsibilities of a family with few conditions for participating in social activities.

How much is a suitable quantity for militia and self-defense forces? This question can only be accurately answered when each local area and basic unit has a firm grasp of its own mission characteristics and a plan for rational troop deployment in security operations during each period.

Southern Provinces Settle Land Disputes
42090128 Hanoi QUAN DOI NHAN DAN
in Vietnamese 27 Dec 88 p 3

[Article by Le Manh Tuan: "Positive Results in Achieving Openness and Democracy in Settlement of Land Disputes in Provinces of Western Nam Bo"]

[Text] The land dispute problem and the need for amicable land dispute settlement in western Nam Bo have become increasingly complex. During some periods, nearly all the party committee and government echelons of these localities have been spending their time in public receptions to explain policies and receive complaints and accusations from farmers in the region. This situation has had a direct adverse effect on the production and life of each laborer. Many localities have resigned themselves to neglecting the farming. Even more serious is that in some regions, the people have conspired to destroy entire systems of irrigation and drainage ditches, canals and saltwater retaining dams—the results of their own labor during the years of building production collectives and cooperative teams.

Based on Directive 47-BT/QDTU (31 August 1988) of the Political Bureau, the provinces have issued specific regulations on the settlement of disputes in accordance with the characteristics of each region. At the same time, local areas have urgently arranged for inspection teams to travel to dispute locations for operation in a number of basic units. To this time, after nearly 3 months of accepting the spirit of Directive 47, the settlement of land disputes in a number of provinces in western Nam Bo has achieved effective results. A situation in which the people travel up to the district or province to present accusations and complaints concerning the land of the local area and their own family has gradually subsided. A number of provinces such as An Giang, Cuu Long, Hau Giang, Kien Giang and Ben Tre have firmly coordinated resolution of irrationalities in land use and ownership with methods of promoting commodity production, gradually stabilizing the lives of the people, strengthening internal farmer-worker solidarity, and consolidating the worker and farmer alliance and agricultural cooperatives along with achievement of the contract mechanism in accordance with Resolution 10, creating conditions for the farmers to feel at ease while investing in and developing production on their own plot of ground.

A factor determining initial success in the settlement of land disputes here is the achievement of openness and democracy. This demands that each cadre and party member have an attitude of strict, correct, loyal, and honest work in accordance with principle and contradiction to serve as a basis of rational methods.

With an urgent but cautious motto, resolutely but unhurriedly overcome the problem while simultaneously emphasizing education and persuasion, a number of provinces in western Nam Bo have formulated methods of settling land disputes consistent with the characteristics of their own local area. The supervisory thinking

here is to rely on the people, truly "using the people as the supporting base." The production collective is considered the location for achieving the democratic rights of the farmers. All cases relating to the land and laborer rights are openly presented to allow the people the right to discuss, deliberate and decide on methods of settlement based on reason and feeling. Also through this, local areas have achieved openness in land funds, an aspect arousing traditions of hamlet group solidarity from dawn to dark and sharing one's food and clothing with others to assist the local government in regulation consistent with the production requirements and capabilities of each family.

First of all, to serve as an example for the masses, local areas have concentrated on settlement within the cadre and party member ranks in production collectives and cooperatives. For firm and accurate implementation, party committee and administrative echelons have arranged for the cadres, party members and people to restudy and carefully analyze the spirit of Directive 47 and Resolution 10. On that basis, each cadre and party member inspects his own fields and conscientiously returns any surplus area. Subsequently, coordinated with the complaints and supervision of the people, the district arranges for inspection teams to visit each village to clarify the land situation and to move toward recovery and reallocation decisions.

Along with these positive methods, the provinces of Ben Tre, Cuu Long and Hau Giang have also settled disputes and monopolization in a totally complete and urgent manner, first of all among the cadre and party member ranks. Especially in An Giang Province, the Standing Committee of the Provincial Party Committee had to discipline two cadres in the Standing Committee of the Thoai Son District Party Committee for conspiring to cover up for a number of bad elements illegally misappropriating land.

In incidents occurring among the farmers, administrative echelons here have been unanimous in a viewpoint of: thorough settlement of problems to liberate production capacity. Consequently, local areas have had appropriate methods for each specific case. On the other hand, a new concept is being thoroughly implemented among administrative echelons; to consider members of the rural middle-farmer class as maintaining a central role in production of agricultural commodities, because they are the ones with high levels of investment capital, many agricultural implements and rich farming experience. Therefore, for those families within the purview of upper or medium middle farmers or those who are not middle farmers but have agricultural production abilities, besides the area assigned through previous debt payment and leveling, local areas have awarded long-term leases of 10 to 15 years based on their land funds following the spirit of Resolution 10. Besides An Giang Province, the leading location in this method, Hon Dat District in Kien Giang Province, Thot Not District in Hau Giang Province and Tra On District in Cuu Long Province are now basic units in initial and effective development with

a positive response from the farmers. Mr. Nam Van in Collective 22B of Thoi Thuan Village, one of the 31 individuals receiving a long-term lease in the first phase conducted by Thot Not District, told us that when he received the "certificate" and "production ledger" issued by the local government, "I'm so happy. Not just me but everyone in Thoi Binh Hamlet is happy. Farming but secure in working on my own piece of land for 15 years without worrying about turmoil, and doing my best to tend and fertilize my crops. Receiving 35 gia per man-day for the summer-fall crop and 45 gia for the winter-spring crop is dead sure!" (4 gia is 20 kilograms)

As an agricultural producer, everyone wants much land to farm. Families working with high efficiency want much more. This is a positive reality. However, the contradiction here is that farming area is always limited. Therefore, to unceasingly develop the abundant production capabilities of the farmers in conjunction with resolving land disputes and regulation in a truly rational manner, a number of provinces in western Nam Bo have actively encouraged and created favorable conditions for those with the capability to expand the area by opening new land in areas under local ownership authority such as the Plain of Reeds and the Long Xuyen quadrangle. At the present time, nearly all the provinces of western Nam Bo have had forces of scientific cadres surveying and ascertaining the climatic and environmental characteristics as well as the requirements for various rice varieties and other types of crops such as eucalyptus, cashew nuts, cajuput, etc. while simultaneously delineating regions for the raising of aquatic products. First of all, Hon Dat District arranged for dozens of families to clear nearly 1,300 hectares of new land for raising rice in the Long Xuyen quadrangle. During this past summer and fall, the people here harvested their first crop with fine results. Those earning the lowest incomes still received a few hundred gia; and those with the highest such as Mr. Tu Ro in My Lam Village received 2,000 gia. Sau Chau, Secretary of the Hon Dat District Party Committee, said, "From these results, Hon Dat is developing an achievement plan to clear 5,000 hectares by the end of 1989 in the Long Xuyen quadrangle. If the central and provincial governments provide us with additional capital, it will be possible during 1990 to open from 10,000 to 12,000 hectares of multicropped rice. Besides that, the districts of Phung Hiep, Thot Not and Chau Thanh (of Hau Giang Province) during the past third quarter arranged for more than 100 families to clear land for production development in new land areas."

Along with the positive methods above, nearly all the local areas have successfully resolved land disputes by knowing how to develop the role of the collective farmers association. Therefore, local areas have relatively accurately classified labor objectives into four major levels: families with the ability to produce commodities; those able to engage in secondary industry, trade and free labor; those having difficulty in investment capital; and those under social policy purview (primarily the families of war invalids and war dead with few helping hands).

On the basis of this classification, local administrative and party echelons have been able to accurately ascertain the farming area and actual production results along with the capabilities and aspirations of each participant for prompt reallocation and rational contract assignment.

In western Nam Bo, because each province has its own distinct characteristics, specific solutions between the local areas is not entirely similar. However, there is one basic method, to remain consistent with the requirements for resolving land disputes while strengthening production relations and achieving a contract mechanism following the spirit of Political Bureau Resolution 10. Locations that have done well and even those still confused in this problem all consider it a lesson in experience, something to be consulted and readjusted consistent with their own local situation.

It may be said that the masses of laboring people are a mirror reflecting the achievement of party and state line and policy. Any location operating successfully and correctly receives the support of the people. Each leadership echelon, from the basic level up, considers this an occasion for reexamining itself and properly applying the resolutions of the party in promptly and urgently handling the complaints of the farmers.

Something worth contemplating here is that while land dispute settlement was progressing well, at the end of October and beginning of November, a number of regions in the provinces of western Nam Bo suddenly had an increase in complaints and in some locations, the people even concentrated to crowd into Ho Chi Minh City to meet the representative of a central government agency. An investigation indicated that the main reason for this situation was that in the local areas above, the prosecution and disciplining of cadres taking advantage of their authority to monopolize land and oppress the farmer masses was not only unfair but also involved local cadres covering up for each other. On the other hand, land settlement in these very locations revealed additional new irrationalities that were the result of intentionally violating the democratic rights of the farmers. There was a fairly serious backlog of these cases.

On 10 January, the Secretariat of the Party Central Committee sent an inspection team down to the provinces in the Mekong River delta to directly examine the situation of land dispute settlement by basic units in accordance with complaints and accusations submitted by the farmers. The issue here is that local areas must, "Concentrate their efforts on effectively settling land disputes on the spot." However, the principal element of the decision must be made by the basic unit and from the basic unit through the links of the production collective and cooperative.

We also recognize that as farmers, life is the field and the garden. Satisfactory and rational land settlement and simultaneous assignment of autonomy in production following the spirit of Resolution 10 and Directive 47 is

in accordance with the aspirations of the citizen longing to produce many products for his family and for society. However, one remaining issue is that of appealing to the responsibility of each cadre and party member who has not yet truly admitted his mistakes before the plots and hearts of those who have shed their blood for the fields of their home.

ECONOMIC

Sea Transport Venture Set Up With French Firm *BK2302160989 Hanoi VNA in English* *1510 GMT 23 Feb 89*

[Text] Hanoi VNA February 23—A joint venture between the Vietnam General Department of Marine Transport and the French General Maritime Company (C.G.M.) has been set up in Ho Chi Minh City.

The venture named GEMATrans, which has an initial capital of 400,000 U.S. dollars to be equally shared by the partners, will transport cargos in containers from Saigon Port in Ho Chi Minh City to Singapore.

Each month, GEMATrans plans to carry three shipments from Ho Chi Minh City to Singapore and vice versa.

Losses of Gold Through Vietnam-Cambodia Border Revealed

42090134 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 5 Jan 89 p 2

[Article by Le Van Xiem: The Losses of Gold Through the Southwestern Border"]

[Text] The Vietnam-Cambodia border is 1,137 kilometers long; runs through 8 provinces, 20 districts, 79 villages; and consists of many land routes and rivers which facilitate the communications between the 2 countries. The population along the border is nearly half a million people. Everyday, on the entire southwestern border, the trading of smuggled goods and goods that do not go through state stores takes place in many forms. The border forces have taken many measures to prevent this kind of illegal activities but the latter remain uncontrollable. According to early-1988 statistics, an average of 330 *luong* [unit of weight equivalent to 37.8 grams] of gold a day got through the border (through the entry points in An Giang, Kien Giang, Dong Thap, and Tay Ninh Provinces only); that would bring the estimated annual losses of gold to about 118,800 *luong*, or 4,455 kilograms. These are great losses of gold that adversely affect our country's economic activities.

Gold Leaving the Country; Cosmetics, Ladies' Underwear, and Foreign Cigarettes Coming Back

In the first months of this year, our state has to buy grain from a number of countries and to pay them with foreign currency. And the state bank must have a certain quantity of gold reserve. In the meantime, a painful thing that

takes place at the southwestern border is the fact that smugglers use gold to buy foreign cigarettes, cosmetics, ladies' underwear, and clothing from Thailand.

Because they are greedy, the smugglers are not concerned about their acts causing damages, now or in the future, to the country's economy. The flow of gold through the border affects the prices of gold in the southern provinces. These prices go up sharply as the season of goods flooding across the border arrives. The goods that do not go through state stores and are illegally brought into the southern market seriously disturb the latter and fiercely compete with domestic goods. The domestic production sectors that are threatened include the ladies' garment industry, the plastic ware manufacturing sector, and so on.

The movement of gold across the southwestern border to buy goods is tightly organized by large "gangs" using modern means. Their many connections, like the legs of a centipede, extend everywhere, from Ho Chi Minh City to Phnom Penh and Bangkok. They use many kinds of vehicles and many kinds of passports to cross the border. Last year, the border public security forces at Tinh Bien (in An Giang Province) stopped in order to search a car as it returned to Vietnam from Takeo (Cambodia). But the smugglers had left their car to escape and left behind in it a quantity of goods valued at tens of millions of dong, including 555, Zet, and Hero cigarettes; made-in-Thailand windbreakers, blue jeans, and ladies' underwear, and so on. At the Moc Bai and Xa Mat points of entry (Tay Ninh Province), many cases of smuggling were discovered, with some people carrying tens of *luong* of gold.

Effective Measures Needed To Prevent Losses of Gold

Nguyen Van Linh, who wrote the article entitled "Things To Be Done Right Away," has mentioned the losses of goods and gold through the border and has asked all customs, public security, and border control stations to confiscate all of the cash and goods involved in such illegal trading activities. The real situation at the large points of entry along the southwestern border is very complicated.

At the points of entry on the large land routes like Moc Bai, Xa Mat (Tay Ninh Province), and Tinh Bien (An Giang Province), border control officers each day seize and hold on the average millions of dong worth of goods that do not go through state stores and large quantities of cash and precious metals and stones being illegally taken through the border. At the points of entry on rivers like Vinh Hoi Dong (An Giang Province), many junks and boats involved in illegal trading also are seized. However, the border control camps and posts cannot totally prevent gold from going through the border. In Xa Mat (Tay Ninh Province), Tinh Bien (An Giang Province), and Moc Hoa (Long An Province), smugglers ride their smuggled motorcycles through the jungle at night. They

go in groups of dozens and up to hundreds of motorcycles at the same time so that if they were discovered, the border guards could seize just a few of them.

They cross the border and transport goods through remote trails in safe periods. In addition to taking the necessary management measures, to properly organize normal trade through the border, to further develop domestic production of goods, and to improve the quality of these goods are the most positive measures that can be taken to prevent the bleeding of gold and losses of goods through the border.

Twenty-Six Foreign Firms Open Offices

BK2302084589 Hanoi VNA in English
0735 GMT 23 Feb 89

[Text] Hanoi VNA Feb 23 (OANA-ECOVNA)—Twenty-six foreign and overseas Vietnamese companies have opened their offices in Vietnam, most of them in Ho Chi Minh City.

Japan tops the list with eight companies, followed by France, four and India three. Australia and the FRG have two each, and Singapore and Hong Kong have one each.

Most of the overseas Vietnamese companies are from Canada and France.

Many other foreign companies have applied for setting up offices in the country.

Unregulated Foreign Trade Disrupts Market

420901266 Hanoi QUAN DOI NHAN DAN
in Vietnamese 27 Dec 88 p 3

[Article by Ba Ninh: "Imports and Exports—Set Adrift or 'Bestow Autonomy on the Basic Unit?']

[Text] During the hunger of the past 3 months, some have thought that rice must be imported. This idea is not feasible because no dollars are available. Actually, there are dollars but because of the mechanism in which the central government does not regulate but allows local areas to achieve self-equilibrium in their dollar sources, other goods were imported. Of course, the local areas all had reasons.

Preliminary estimates are that during the first 4 months of 1988, the total amount of commodities directly imported by local areas amounted to about 88.5 million U.S. dollars, 69.4 percent of which were consumer goods and 27 percent raw materials to produce consumer goods of various kinds, including 626,000 cassette tape players and radios, 82,000 thermos bottles, 17,000 sewing machines, 7,600 refrigerators, 9,308 fans of all types, 162 video cassette recorders, etc. It is believed that if the 69.4 percent of foreign exchange used to import these consumer goods was used to import rice, about 300,000 tons could have been acquired.

Actually during the past few years, local foreign trade organizations have purchased export agricultural products from farmers at nearly the market price. When these organizations export goods and collect foreign exchange, that foreign exchange is figured at an exchange rate stipulated by the state that is usually only about 35 percent of the domestic foreign currency exchange rate on the free market. As a result, in purchasing goods in accordance with the market price mechanism and selling goods at lower than market prices, losses are inevitable. Meanwhile, the foreign trade sector must self-balance and compensate for its operations while simultaneously delivering profits to the state. This situation forces the sector to import goods with the greatest profits and most rapid capital rotation. Such an import situation as presented above has occurred. Viewed from within the sector, such high-profit trading is praiseworthy, but viewed from the standpoint of the national economy, profits made through trading in consumer goods imported from foreign countries fails to produce great results. However, the other side of the problem must also be seen: in our country at the present time, a domestic and foreign currency exchange rate cannot be accurately set because of the chaotic prices of domestic goods. In this situation, the progressively changing (market) prices cannot be used as a basis for calculating the exchange rate. Thus, it is necessary to issue a kind of promissory note in foreign trade in order to settle accounts with each other through the banks. This type of promissory note has a relatively stable value relying on the actual commodity structure. Evaluation of this promissory note makes confirmation of the export and import goods list values and payments more rational. In this way, the conversion exchange rate of import and export goods will be relatively the same, and more in keeping with their actual value; and the central government will control foreign exchange and handle imported goods in accordance with their objectives instead of promulgating series of directives and decrees as at the present time.

With such imports, what about exports? As planned, local areas must export goods to Area I (the socialist countries), but they are primarily exporting to Area II (the capitalist countries) with the purpose of strongly attracting foreign exchange. During the first 6 months of this year, goods exported to Area II by local areas amounted to 170 million dollars. Consequently, export agencies of the central government had to shoulder a heavy load for the local area in exporting goods to Area I to repay obligations.

One product, coffee, during the first 6 months of the year and before was highly valued on the international market and many local areas not growing coffee still had coffee to export thanks to "trade association." The domestic price of coffee rose rapidly to a peak exchange rate of 1 kilogram of coffee beans to 17 kilograms of rice. Many regions destroyed subsidiary food crops and forests to raise coffee. A people's coffee growing movement impetuously developed. The total coffee output reached about 32,000 tons but agencies issued permits to export up to

34,000 tons, inevitably creating a process of mutual contention. However, during the past few months, the price of coffee on the international market has continuously fallen. Domestic coffee prices have also fallen and now, 1 kilogram of coffee beans can be exchanged for only 6 to 7 kilograms of rice. Actually, this has caused the coffee growing regions of Dong Nai and Dac Lac to go bankrupt. In many coffee regions in Xuan Loc (of Dong Nai Province) and the central highlands, the people are destroying coffee crops to grow subsidiary food crops. This is a vicious circle. Pepper imports are apparently repeating the coffee cycle.

In a spontaneous but still imagined dynamic economy, setting production and production consumption adrift is regarded as bestowing autonomy on the basic unit. Thus, another look at the import-export problem within the total concept of a unified national economy is necessary.

Hanoi Party Committee Discusses Grain Supply
BK2202091989 Hanoi NHAN DAN in Vietnamese
2 Feb 89 pp 1, 4

[Report on remarks by Council of Ministers Vice Chairman Dong Sy Nguyen at a Hanoi Municipal Party Committee conference on the 1989 grain supply—dated 1 February]

[Excerpt] On 1 February 1989, the Party Committee and the People's Committee of Hanoi municipality held a conference of representatives from various sectors and agencies at the central level and in Hanoi to discuss the balancing of grain supply for the pre-and post-periods of the lunar new year festival and, at the same time, determine the operating guidelines for the grain supply sector to get ready in terms of capital and cash for shifting to real business.

Last year, although the supply of grain to rationed recipients was somewhat difficult, Hanoi was able to fulfill 99.2 percent of demand because of supplies from the central government plus its 54,000 tonnes of self-procured grain. Moreover, the municipality also secured a definite reserve amount. The city's grain supply sector strived to organize receiving shipments from various supply sources in order to ensure regular rice sales to the people before and after the Tet festival. Although gluey rice is not included in rations, the currently available amount of gluey rice is sold freely at various foodstalls.

In the conference, Council of Ministers Vice Chairman Dong Sy Nguyen discussed specific problems in consolidating the city's grain supply sector, and making it sufficiently strong with dynamic people in order to shift to real business effective the first quarter of 1989. The mission of the grain supply sector is to properly organize purchases, sales, reserves, and circulation of grain. The vice chairman urged the Ministries of Agriculture and Food Industry, and the city's union of grain supply companies to procure sufficient sources and ensure adequate monthly rice rations for Hanoi. The purchases from and sales of grain to Ho Chi Minh city's grain

supply agencies will be discussed in detail by the two grain supply companies involved on the basis of agreements to ensure non-losing deals. Hanoi will continue to experimentally purchase rice from Hau Giang and may expand its purchasing area to the southern provinces, mainly for good rice at business prices. The Finance Ministry should early institute specific measures to help Hanoi create capital for the grain business. [passage omitted]

Demobilized Soldiers Face 76 Percent Unemployment Rate

42090135b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 11 Jan 89 p 1

[Article by H.S.]

[Text] On 9 January, the War Invalid and Social Labor Service held a seminar on employment for demobilized soldiers and assault youths. According to statistics of the Municipal Military Command, of 50,873 soldiers demobilized by the end of 1987, 76 percent are still unemployed or have unstable jobs.

Sector representatives stated that arrangements to provide employment for troops and assault youths are an urgent requirement at the present time. The basic methods of resolving this problem are to give priority to skill training and after-hours cultural study for the men. The most appropriate and effective form is occupational training right in the enterprise and later, if conditions exist, to accept them for work. On the other hand, the representatives said that those with the necessary conditions (capital and skills) must create jobs for themselves.

National Assembly Examines Foreign Labor Cooperation

42090125a Hanoi HANOI MOI in Vietnamese
17 Dec 88 pp 1, 4

[Extract from Brief of National Assembly Foreign Affairs Committee and Economic, Planning and Budget Committee: "Labor Cooperation With Foreign Countries: Situation and Proposals"]

[Text] Labor cooperation with foreign nations is an important policy of our country. This is an economic mission of long-term strategic significance. In widespread cooperation with other countries following the foreign relations line of the party, we will achieve economic and social benefits in many aspects: acquiring foreign exchange for the budget without great investment, providing employment, and raising the skills, providing operational and industrial training and increasing the income of part of the laborers. The successful accomplishment of this task can expand production and technical cooperation with other countries, and assist in increasing the amount of consumer goods for society.

To our country, this is a new task with many complexities and difficulties, especially in the present socioeconomic situation. If not well done, not only will economic effectiveness be limited but many complex psychological and social problems will be created, and especially, the image of our country among the people of friendly countries could be distorted.

Concerning this issue, at the fourth session of the Eighth National Assembly presently being held, the Foreign Affairs Committee and the Economic, Planning and Budget Committee have submitted an evaluation of the situation and a number of proposals.

By the end of this year, a total 216,540 people will have participated in cooperative labor with other countries: about 60,000 have completed their contracts and returned.

With the exception of an extremely few (about 1 percent) who have committed some mistake and need disciplining, our laborers in foreign countries are a rank of good individuals. They are assisting in promoting production and developing the economy of fraternal nations and have been highly rated by our friends. On our side, although some results in various aspects have been attained, it must be admitted that they are still small and fairly distant from the results that should have been attained and even more distant when compared to our potential in this area of international cooperation.

During 8 years of cooperation with four socialist countries involving 200,000 people, we have acquired meager foreign exchange, about 230 million rubles, which is also non-trade foreign exchange. To this time, these funds have not been controlled by any agency and naturally are still unusable. A number of laborers have earned a fair income and a small number have earned a high income but generally speaking, income has been low compared to their abilities and contributions. Of special interest, part of the laborers earned an extremely substandard income because they lacked employment or because they worked under difficult conditions and with obsolete machinery. The rights of the laborers have not been ensured and many have not received equal treatment.

The living conditions of some (including some female workers) have not yet achieved minimum requirements (for example: hot water during the winter, bathrooms and lavatories). Their cultural and spiritual requirements have not received necessary concern (for example: textbooks and recreational equipment are lacking, and the proper level of concern has not been given to teaching the language of the foreign country). Many restrictions, difficulties and troubles in purchasing and sending goods earned through their labor have been met, both within the foreign country and in our country. Problems of travel, handling labor accidents, recreation, leave, etc. still have many inadequacies. In the relationship between our laborers and the people of friendly countries, a number of serious incidents, although not many, have created an adverse image among those

people. The number of laborers completing their contracts and returning home with no jobs is also posing additional fresh problems for society.

One important and urgent requirement is to study, supplement, and promptly promulgate policies concerning these laborers. Nearly all of those working in foreign countries are youths (80 percent are Ho Chi Minh Youth Union members) who are or are about to become skilled workers, and if concern is given to the proper level of advanced training, they will be a superior component and great capability with many promises for contributing to the task of building and developing the nation.

The choice of individuals to engage in cooperative labor must have a thorough understanding of democracy and equality, and be achieved openly with a reduction in troublesome procedures and causes of negative occurrences.

It is necessary to study an incentive mechanism for those working in a foreign country and to create conditions for attracting them after they finish their contracts and return, for possible participation in production activity and national construction through many economic elements. If policies concerning this aspect are not promptly formulated, after 3 or 4 years of working in a foreign country, a returning laborer will be someone without a job as before his departure. Additionally, those who previously worked in enterprises and agencies must return to them.

Before departing, the laborers must be carefully introduced to the ways of life, customs, habits, laws, what must be done, and what must be avoided, etc. in the country and local area where they will be living and working. In the foreign country, when they encounter difficulty in production and life, or when they suffer losses, a management cadre must be available to maintain close contact, give concern and assistance, and protect their legitimate interests.

One step extremely worthy of attention is to choose and build ranks of management cadres with ability, occupational understanding, a grasp of the foreign language, and especially a dedication to the laborer. Someone should not be sent to a foreign country for labor management with a simple purpose of "bestowing special favors" on a number of cadres for some meritorious deed or another. We must remember our responsibility to achieve a major socioeconomic policy of the nation.

Special concern must be given to meeting the cultural and spiritual requirements of the workers. This requirement must be recorded in the contracts. Labor, cultural and information agencies, mass organizations and units sending personnel to engage in cooperative labor must have organization coordination and full responsibility for this problem. If the mechanism is right, no state subsidization of expenditures is necessary to answer the cultural and spiritual requirements of the laborers.

Because labor cooperation is an external economic activity, it is necessary to decisively and swiftly shift from a mechanism of subsidized administration to one of management following economic accounting procedures. Clear differentiation between state management and operational organization is necessary. State management consists of projection, planning, and negotiation on a national plane; promulgating laws, policies, systems; guiding, inspecting, controlling, etc. Specific achievement and operation is undertaken by organizations and units established in the forms of corporations and enterprises, operating in accordance with an economic formula, not subsidized administration. Progress must be made toward formation of united organizations by locality or sector, and when conditions exist, toward organization on a nationwide scale.

Development of labor cooperation policy achievement, especially in assisting the Council of Ministers to study and determine policies, is a job of many agencies such as those involved in labor, external economy, finance, banking, customs, information, etc., and absolutely be carried out with the role and voice of mass organizations and elected agencies. No sector standing alone has sufficient ability to shoulder this heavy and important task. Formation of appropriate advisory organizations for this problem must be studied.

On the basis of the proposals above, the Foreign Affairs Committee and the Economic, Planning and Budget Committee suggested the following specific points to the National Assembly:

One, that the Council of Ministers have more concentrated supervision. Define economic and social objectives, uniformly promulgate policies, lines and methods for implementing and revising the mechanism, management organization and forms for labor cooperation, and on that basis establish a through understanding among sectors, local areas and basic units to join in achievement following a united course.

Two, supervise a review of the signed agreements and steadfastly negotiate readjustments to excessively inconsistent provisions. When signing new documents with foreign countries, full preparation is necessary with the participation and opinions of concerned agencies.

Three, in the resolution of the National Assembly on the problem of state planning in the years to come, a portion touches upon the issue of labor cooperation. Concerned ministries and agencies have been assigned, in a coming session, to report to the National Assembly on improvement methods and results aimed at promoting achievement of this important policy.

Coffee Exports During 1988

42090130c Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 5 Jan 89 p 1

[Article by V.H.L.: "Coffee Import-Export Corporation (Vinacafe) Collects Nearly 18,000 Tons of Export Coffee Thanks to Close Contact with Raw Material Region and Active Business Activity"]

[Text] During 1988, the Coffee Import-Export Corporation (Vinacafe) collected nearly 18,000 tons of coffee, 14,476 tons of which were exported. About 80 percent of this raw material was collected during the last 6 months of the year, thanks to a shift by the corporation to an operations formula concentrated on four key coffee raising regions: Dac Lac, Dong Nai, Lam Dong, and Gia Lai-Cong Tum; and a search for an appropriate and timely supply of machinery, equipment and agricultural materials meeting the needs and farming practices of the local area.

The corporation also actively applied business formulas following customer requirements: accepting raw materials according to plan and then providing the customer with commensurate exchange goods at the planned price; collecting export commissions and foreign trade fees only in accordance with regulations; and trading goods for goods at agreeable prices.

During 1989, besides 20,000 tons of export coffee in accordance with the state plan, the corporation has formulated plans to achieve self-equilibrium in the export of 15,000 tons of products. The corporation presently has tens of thousands of tons of agricultural materials to exchange for and purchase coffee.

Cement Federation Announces 1988 Output

42090137a Hanoi HANOI MOI in Vietnamese
15 Dec 88 p 1

[Unattributed article: "During Last 15 Days of Year, Federation of Cement Enterprises Strives to Produce Additional 30,000-60,000 Tons of Cement, 300,000 Square Meters of Roofing Material"]

[Text] At 1400 on 14 December, the Federation of Cement Enterprises completed its annual plan with a product output of 1.61 million tons of cement and 3.2 million square meters of roofing material; attaining a commodity value of 34,125,000,000 dong and collecting budget deposits of 30 billion dong, a 20 percent increase over planned levels. Besides that, the federation delivered a full 20,000 tons of cement to the General Rubber Department, used 118,500 tons of cement in a commodity fund to exchange for agricultural products and food, and self-exported nearly 100,000 tons of cement.

Due to stepped up production, the federation's product made an important contribution in accelerating the construction rate of key projects.

In implementing the plan this year, the Federation of Cement Enterprises boldly applied new mechanisms such as: in operations and supervision, maintaining close contact with the three objectives of output, repairing and restoring equipment capacity, and capital construction for project synchronization; and actively handled product distribution to ensure the production rate. To resolve part of the difficulties of daily life, the federation increased the wage unit price per product ton with receipts received from the difference between the retail cement price and the capital construction price, increased heat resistance compensation, etc.; and engaged in economic association to exploit additional materials and fuel, and direct export of products to acquire foreign exchange for importing raw materials, equipment and replacement parts.

The federation has launched a new emulation campaign with efforts during the final 15 days of the year to produce an additional 50,000 to 60,000 tons of cement and 300,000 square meters of roofing material.

Hanoi Commercial Bank Increases Capital Reserves

42090137b Hanoi HANOI MOI in Vietnamese
16 Dec 88 pp 1, 4

[Unattributed article: "After 5 Months of Shifting to Business Practices, the Present Situation at Hanoi Bank of Industry and Commerce is: Total Capital Sources Increase to 56 Billion Dong and Capital Usage Increases to 18 Billion Dong; Savings Account Balances Increase to 5 Billion Dong; Deposit Certificates Reach 50 Million Dong in First 5 Days"]

[Text] Through 5 months of shifting to business practices by implementing a series of new mechanisms, the Hanoi Bank of Industry and Commerce has exploited many large and small sources of capital from various economic components, and initiated forms of flexible loans suited to the requirements of collective units and the people.

A clear feature of the change is that the bank's source of capital has and is gradually escaping the situation of entangling state subsidization (the result of many previous years). To become a lever for business production, the bank has rapidly increased capital rotation by methods encouraging units to borrow much and repay rapidly and ahead of schedule to reduce the interest rate, and conversely has therefore quickly achieved the highest monthly capital rotation of the past several years.

Assisting to implement the policy of production incentive for economic elements outside of state-operation, the industrial and commercial banking system continues to promote savings deposit campaigns and to actively resist losses by investing in many economic objectives and components. On 30 November, the savings balance reached 12 billion dong, all of it loaned out. This year, the bank is truly eliminating a situation of annual losses of more than 3 billion dong and is beginning to earn dividends for budget deposit.

Coordinated with collection and loaning of savings funds, the bank of industry and commerce has initiated additional forms of high-interest 3-month deposit certificates and loans at agreeable interest rates to create new capabilities in the monetary business activities of the city. Five days after beginning, customers have deposited 50 million dong and the bank has loaned 40 million dong to non-state-operated economic units.

Due to methods of creating additional capital sources, total capital sources have increased to 56 billion dong, and capital usage has increased to 18 billion dong. The bank of industry and commerce is presently the only specialized-business banking unit in Hanoi that is completely self-sufficient in loan capital sources with no need to borrow capital from the State Bank.

The industrial and commercial banking system is striving to expand in scale and support recipients to truly become a bank of the people, every individual and every household.

Ho Chi Minh City Banks, Banking Operations

42090135a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 10 Jan 89 p 3

[Article by Le Tien Tuyen: "Organizational and Operational Structure of City's Banks;" first paragraph is SAIGON GIAI PHONG introduction]

[Text] Meeting the requirement for production and business support in the present economic situation, the banking system is gradually shifting activities to business operations. Within the area of the city, many specialized business banks have made their debut. Following reader requests, we wish to introduce a number of features on the organization and activity of these banks:

—Area 1 State Bank (17 Chuong Duong, 1st Precinct)

Directly subordinate to the Vietnam State Bank; supports Song Be Province, the Vung Tau-Con Dao Special Zone and Ho Chi Minh City, and serves as a center for cash regulation, capital liquidation, and loans for specialized business banks within the areas noted above. The only unit in the area presently accredited by the Vietnam State Bank to fulfill a state management mission in currency and credit activities.

—Municipal Foreign Trade Bank (29 Chuong Duong, 1st Precinct):

Directly subordinate to the Vietnam Foreign Trade Bank. Fulfills missions of: collecting the capital of domestic economic components and foreign economic organizations and individuals; makes loans to supplement liquid assets of units engaged in foreign trade and export goods production, and economic organizations associated with foreign exchange; makes guarantees to foreign production and business organizations and groups so domestic import units can import goods prior to payment; and performs the services of exchanging emigrant and foreign currency for Vietnamese currency,

purchasing and selling foreign currency for goods customers in accordance with the exchange rate during each period, etc.

—Mekong River Delta Agricultural Development Bank, abbreviated MEKOADBANK (17 Chuong Duong, 1st Precinct):

Directly subordinate to the Vietnam Agricultural Development Bank. MEKOADBANK has a mission of collecting the capital of domestic economic components and foreign organizations and individuals, and making loans to and investing in key economic regions and localities with strong positions in grain, food and agricultural, forestry and marine products within the sphere of the southern provinces. The bank only deals and conducts its mission with major units such as general departments, general corporations, and level I corporations.

—Municipal Construction Investment Bank (134 Nguyen Cong Tru, 1st Precinct):

Directly subordinate to the Vietnam Construction Investment Bank with a mission of supplying capital to organizations constructing and installing capital construction projects such as factories, hospitals, schools, bridge, roads, piers, etc. Besides supplying capital issued by the state budget, the bank also collects capital from various elements of the population and makes loans to supplement liquid assets for rapid construction and installation.

—Municipal Bank of Industry and Commerce (144 Chau Van Liem, 5th Precinct):

As the first stock bank in the entire country, carries out the following banking operations: accepts deposits for settling the accounts of economic units; opens term and termless savings accounts; issues deposit certificates and sells bonds to the people; provides fund receipt and expenditure services (household receipts and expenditures, collections and disbursements and expenditure insurance); credit financing for economic components; and making loans to individuals to earn a living and for expenditures within the family. The Municipal (Stock) Bank of Industry and Commerce has one branch office, the Ba Chieu Area Bank of Industry and Commerce (118 Dinh Tien Hoang, Binh Thanh District).

—Municipal Vietnam Bank of Industry and Commerce (79 Ham Nghe, 1st Precinct):

As a national bank, established on the basis of the previous Municipal State Bank, with an abbreviated trade name of NHCM. The Municipal Vietnam Bank of Industry and Commerce has 13 branch offices in 12 inner city precincts and Thu Duc District. The primary support recipients are state industrial and trade units, and economic components not operated by the state. After shifting to business operations, the Municipal Vietnam Bank of Industry and Commerce has no state management of cash function but conducts the following operations: accepting deposits for economic unit account

settlement, collecting savings from the people, and providing banking services such as unit fund services, renting safe deposit boxes for the storage of precious metals, certificates, souvenirs, etc.

Besides the source of capital supplied by the state for production and business units to borrow within a stipulated interest framework, the bank also collects deposits from elements of the population and domestic and foreign economic organizations for units to borrow in accordance with an agreeable interest framework.

—Municipal Agricultural Development Bank (50 Chuong Duong, 1st Precinct):

Established on 1 October 1988 with a main office and five branch banks in the districts of Binh Chanh, Hoc Mon, Cu Chi, Nha Be and Duyen Hai. The Agricultural Development Bank supports primarily food, grain, forestry, fishing, salt production, etc., agricultural and industrial sectors within the city. Besides the capital supplied and borrowed from the State Bank, the Municipal Agricultural Development Bank also collects capital from units and elements of the population by selling deposit certificates, opening savings accounts, and investing capital in the form of credit or by purchasing the stocks of corporations and enterprises within the support purview of the bank. The bank provides fund services such as in-unit collections, investigation and closure receipts, off duty collections, etc. According to a decision of the President of the Vietnam State Bank, the Municipal Agricultural Development Bank fulfills a bank management function for all credit cooperatives within the city (including both those in the urban and rural areas).

Ho Chi Minh City 1988 Industrial, Handicraft Production

42090130a Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 30 Dec 88 p 1

[Article by V.H.L.: "City's Industrial and Small Industry and Handicrafts Production for 1988: A 13.3 Percent Increase in Total Output Value but Stagnant Goods Situation Remains Unresolved"]

[Text] According to data of the Municipal Statistics Department, during 1988, the entire industrial and small industry and handicrafts sector within the city attained 42.7 billion dong in total output value (at fixed 1982 prices), 100.5 percent of the annual plan and an increase of 13.3 percent over 1987.

Such an accomplishment was due to the fact that many units during 1988, including those outside state-operation, invested in renewal of machinery and equipment to expand their scale of production with special concentration given the weaving, sewing, shoe leather, food, electronics, etc. sectors. Thanks to Tri An hydroelectricity, electric power output in support of industry also increased this year by 10.6 percent over last year. Although the state was able only to meet 20 percent of

supply and raw material requirements, the city and units used many methods to collect hundreds of billions of dong in supplies and raw materials for production.

However, due to many difficulties such as shortages of capital and cash, irrational import-export duties and commodity taxes, an increase in the level of state-operation collections, a wide difference between the emigrant exchange rate and the internal account settlement rate, rapidly increasing prices, etc., many industrial products have not been sold. The city presently has a backlog of millions of meters of cloth, tens of thousands of bicycles and electric fans, tens of millions of dong worth of electronic goods, etc.

Ho Chi Minh City 1988 Marine, Forestry Product Exports

42090130b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 1 Jan 89 p 1

[Article by V.H.L.: "City's 1988 Imports-Exports; Export Marine, Forestry Products Increase but Entire Sector Encounters Many Difficulties"]

[Text] According to data of the Statistics Department, the total export goods value of the city during 1988 reached 169.5 million ruble-dollars, only 98.2 percent of the plan but an increase of 21.4 percent over the previous year. The export marine products group attained 61 million dollars, a 23.5 percent increase, and of special interest, the export forestry products group attained 14.4 million dollars, an increase of 71.5 percent over 1987. An exception was export agricultural products with a decline of 10.6 percent from the previous year.

Imported goods during 1988 also increased by 12.5 percent, attaining 125.5 million ruble-dollars (of which raw materials in support of production and equipment and spare parts accounted for 75 percent), but only 67.2 percent of the plan.

Import-export activities during the past several months have encountered many difficulties and obstacles due to unfavorable fluctuations in the domestic and foreign markets, excessive import duties, an irrational rate of foreign exchange remittance to the central government, etc.

Hanoi Establishing Science-Technology Bank

42090125b Hanoi HANOI MOI in Vietnamese
18 Dec 88 pp 1, 4

[Unattributed article: "Preparations for Establishment of Hanoi Science-Technology Bank"]

[Text] Recently, the development of science and technology and their introduction to Hanoi production have encountered many difficulties and obstacles. One of the reasons for this situation is the extremely limited investment capital available for scientific research and the application of technical advances to production which would never be enough if we simply waited for budget

allocations. Therefore, the State Bank has joined the Hanoi Municipal Science and Technology Committee in establishing a bank.

The Science-Technology Bank is a stock bank corporation status, independent accounting, and science and technology credit and service. The bank mobilizes every source of capital (including foreign capital, foreign currency and go-d) for investment in the form of loans.

The agency of highest authority of the Science-Technology Bank is the stockholders' congress, directing work through a management council that it elects. Bank shares of from 1 billion to 1.5 billion dong are voluntarily and jointly contributed by scientific agencies, scientists and individual people. From this source of independently acquired capital, a preparatory committee will give concern to material facilities for operations in support of scientific and technical development programs (including inventions and discoveries) within the area of the city.

The Science-Technology Bank will pay taxes to the municipal budget, commencing with the beginning of its third year of operation.

The Science-Technology Bank will begin to function upon receipt of a license from the President of the Vietnam State Bank, and will operate like any other specialized business bank.

Economic Production by National Defense Factories

42090126a Hanoi QUAN DOI NHAN DAN
in Vietnamese 22 Dec 88 p 3

[Article by Ho Si Hau: "Obstacles in Economic Participation by National Defense Industrial Enterprises"]

[Text] The political report submitted at the Sixth Party Congress stated: "On the basis of ensuring the combat, combat readiness and national defense production mission, mobilize part of the armed forces and use part of national defense capabilities in economic construction."

Following this spirit, national defense industrial enterprises have unceasingly promoted production of economic products. Figured at 4th quarter 1987 prices, the economic production value of the entire national defense industrial sector during 1988 increased by 17 percent over 1987. During the past few years, the economic product has played an increasingly more important role in maintaining production and sustaining the lives of the workers in the national defense industrial enterprise. Enterprises producing economic goods have occupied a major portion of the economic production structure of national defense enterprises. Many products have become familiar on the domestic market such as enameled oil stoves, ceiling fans and parts for automobiles, motorcycles and looms. A number of export products are highly rated by foreign customers such as electronic components and machine tools. During the 2 years of

1987 and 1988, the state awarded quality seals to 14 economic products made by national defense industry, including four issued seals of high quality.

National defense industry has extremely great capabilities to produce economic products. A high-level cadre of the State Planning Commission calculated that if the production and machine repair capabilities were compared to those of the Ministry of Engineering and Metals, it would be difficult to say which side was larger. Although formed for the production of military goods, if assigned a mission to produce suitable economic goods, national defense industry can develop a number of important strengths such as major excavation, industrial techniques of high precision, and heavy duty compressors, assembly lines and equipment to produce special metal materials, rubber attachments, spare machine parts, etc. Regrettably, these capabilities have not been included in the projection and planning system of the entire nation. The state has assigned production plans to national defense industry but still in small quantities and in an uncoordinated manner. Economic products assigned plans account for only one-third of the economic goods value of national defense enterprises with distribution for the remainder conducted by joint and associated enterprises. Even for the products assigned plans, many difficulties are encountered in production. During 1988, only 35 percent of the steel used to make bicycle spare parts was issued in the correct specifications and only 60 percent of the silica sheets for fan production were of ensured quality; spring steel and electrodes for electric arc furnaces are unavailable during many years; and the supply of "ministry level" materials such as PE plastics, vegetable oil and chemicals is almost adrift. For contract and association "self-production and self-consumption" products, the situation is even more difficult. To ensure jobs for the workers, directors must run to and fro in search of work in a "haphazard" manner. A number of enterprises have had to invest in economic product assembly lines on a small scale and even partial manual work while modern machines set idle.

In this situation, the quality of the national defense industry product is difficult to raise and instead, has a tendency to decline. Because they cannot fully utilize their strong points, national defense industries often use much more material in their economic products, and labor norms are 1.5 to 1.8 times higher than those of economic enterprises. The economic goods produced by national defense industry find it increasingly difficult to compete and at the beginning of November 1988, more than 2 billion dong in products remained unsold.

In examining the socioeconomic effects, a national defense industrial enterprise has no right to demand special favors in the business environment mechanism but must rise by itself to promptly follow the general standard; but in examining the benefits of long-term fatherland protection with a necessity for maintaining the production capabilities of national defense factories, the situation above cannot help

but make us think. Without state assistance, national defense industrial enterprises will suffer losses in contract bidding and encounter difficulties in accepting economic production invoices because their industrial equipment used to produce military products is unsuitable for economic products, and the national defense worker trained to make military products will have low productivity and quality when producing economic products. In addition, because many enterprises are located in the forests and mountains, raw material and finished product transportation expenses are higher. When product contracts are awarded to organized economic sectors, national defense industrial enterprises find it difficult to avoid being considered the "man on the outside." The reasons above explain why that at this time, the end of 1988, the 1989 economic production plan of national defense industrial enterprises remains undefined.

The realities above show that without preparation and assistance from the state and upper echelons, national defense industries will not be able to operate in the contract mechanism. If every economic mechanism is inflexibly applied to national defense industrial enterprises with no appraisal of their technical or historic characteristics, they could within a period of the next few years be pushed into a situation of immeasurable difficulty. The lives of the national defense workers, always extremely difficult, will become steadily more difficult.

State assistance to national defense industry is expressed in macrocosmic regulation, first of all in the projection and planning steps, aimed at placing development of national defense industry in that of industrial development of the nation in general, and fully utilizing the strength of national defense industry in the annual production plan. For example, before formulating a plan to import mining fuses or special steel for the machine manufacturing industry, it is necessary to utilize the capabilities of national defense industry to produce these products; or to assign specialization of vehicle spare part production between national defense industrial plants and state-operated factories. The national defense industrial sector is promoting cooperation with economic sectors to solve this problem but the road to product division of labor or production structure rationalization is still long.

State assistance must also be expressed in mechanisms and policies concerning national defense industry, especially production incentive policies to maintain the capabilities of national defense production. Leaders of the Ministry of National Defense and national defense industry have often asserted that no special favors in contract awards are demanded, but have only suggested that in fatherland protection, national defense enterprises will receive priority in accepting goods receipts if their production plan is about the same as the plan of the best unit. During 1989 alone, because national defense industrial enterprises are unfamiliar with contract participation, it has been suggested that the state continue to

directly assign a number of traditional goods to national defense industrial enterprises with the technical and economic requirements equivalent to advanced units in contract bidding.

Along with state assistance, help from the Ministry of National Defense and enterprise upper echelons plays an extremely important role to national defense industrial enterprises. On 6 November 1988, the Ministry of National Defense issued Circular 1640/OP to provide guidance on implementation of Decision 217/HDBT and state-operated enterprise statutes. This circular has alleviated many difficulties for enterprises in production but for full achievement, specific occupational guidance is necessary, especially changes in the functional agencies of the Ministry of National Defense. The dynamism of functional agencies in the Ministry of National Defense and that of enterprise upper echelons in contacting goods sectors and state agencies to find contract products for introducing their economic work capabilities also plays an extremely important role to enterprises. Finally, every problem of decision is in the national defense industrial enterprises themselves. At present, directors are busily seeking jobs for the workers and locations to distribute their stockpiled products. They are also seeking every means to raise the quality and effectiveness of production because they increasingly understand this is a job that no one can do in place of the enterprise. When enterprises shift to production of dual-use products (used both for national defense and the economy), production that is not effective cannot prove its indispensable existence in the process of production rearrangement.

Better Family Planning Awards Proposed
42090135c Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 11 Jan 89 p 1

[Unattributed article: "Adjustment of Awards for Those Practicing Family Planning Proposed"]

[Text] Although the Municipal People's Committee during December 1988 adjusted the level of awards for those practicing family planning, such as awarding 10,000 dong for the sterilization of a city resident and 2,000 dong for the sterilization campaign worker, this level is still too low compared with the present price situation. During the past week, the Municipal Population Survey and Family Planning Center officially proposed that the Municipal People's Committee raise the level of awards for those practicing family planning.

SOCIAL

Danish Reporter on Exporting Female Labor to USSR

36130040 Copenhagen BERLINGSKE TIDENDE
in Danish 2-8 Dec 88 Sect 2 p 2

[Article by Tine Eiby: "Soviets Importing Young Women"]

[Text] We sat there in the big Soviet Aeroflot plane, in the middle of the ramshackle airstrip outside Hanoi, waiting for takeoff, with Moscow as our destination. Up front, in first class, sat a group of Soviet VIP types. Other than that, the passengers consisted of Vietnamese intellectuals, Soviet chartered tourists, two East Germans and me—the only person from the West on board.

As is customary when one travels with Aeroflot, there were no assigned seats, so we virtually raced out to the waiting airplane to get good seats for the 18-hour flight. This was an effort we could have spared ourselves of, since there were tons of seats. And so we sat there catching our breath, when a flock suddenly appeared running to our plane.

Small, delicate Vietnamese girls in colorful acrylic clothes, with their long dark hair held in place by a forest of cyclamen-colored hairpins. They came by the hundreds and began to swarm onto the plane. They had clearly been told to run for it, but some of them slipped reluctantly out of line and kept turning around to send long looks back at the airport barracks, utilizing the opportunity to dry their eyes in secret. In Vietnam no one wants to lose face.

In a moment or two they were all over the plane. They filled up all the empty seats, and the Soviet stewardesses had to intervene and make the request of their rather uncooperative fellow countrymen to please consolidate their belongings a bit, so the young women could find a place to sit.

When I put on my seat belt, I noticed one of the girls in the row behind staring at me and giggling. I couldn't think of anything to do but giggle back, until it suddenly occurred to me that she was copying all of my seasoned-traveler's actions. Of course! She had never been on an airplane before. None of them had. They were clearly girls who had spent their entire lives on collective farms out in the countryside. What were they doing here, in a plane on the way to Moscow?

I then became the great teacher, and had to think twice about every move I made, because everything I did was faithfully copied—sometimes with almost grotesque consequences. For instance, I began to peel the apple that was provided me to protect my tender Scandinavian bacterial flora. They all peeled their apples too. They also ate their rice dish with a knife and fork and cut the cheese into strips just as I did.

Shortly after this one of the Vietnamese intellectuals came my way to find out what kind of weird bird I was, since I didn't speak Russian. He could master just enough English to explain to me that the girls—about 250 of them—were on their way to the Soviet Union, where they would spend the next 4 years in work camps. When I looked amazed at this, he added:

"There are approximately 100,000 young Vietnamese women in the Soviet Union at the moment."

Young women who all work together as seamstresses in the textile industry, living together in big camps built for the purpose. They come to earn money. Their stay abroad offers them neither training nor study—except the study of the Russian language. These are women between 18 and 30 years of age, and even if some of them already have husbands and children in Vietnam, they may not take them along with them.

"Frightful," I managed to say. But the Vietnamese man said only, "Excuse me a moment" and went away. As the plane trip wore on, my initial comment turned out to be frightfully accurate. First and foremost because the young women were clearly treated with contempt by the Soviet passengers. And as the plane pulled into Moscow, and the Russians put on their fur hats, the girls as if in answer to an unspoken command pulled out nylon gloves and acrylic scarves. On their feet, of course, they still had only plastic sandals.

Localities Urged To Control Gold Prospecting
42090131a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 4 Jan 89 p 2

[Article by Van Tam, Geological Projects Brigade Number 6: "An Efficacious Cure for the Gold Fever Is Needed"]

[Text] Over the past several years, prospecting for gold has become as frenetic an activity in the southern provinces as it is in the central and northern provinces. This prospecting is concentrated in those provinces in which mountainous forests are found, such as Dac Lac, Thuan Hai, Lam Dong, Dong Nai and so forth. Once the dry season arrives, the number of persons digging and panning for gold increases sharply, which causes concern on the part of local administrations for economic order and social safety.

Gold is a precious metal. In our country, however, a systematic exploration for gold has never been mounted. Except for a number of mines that have been or are being managed and operated by the state, practically all the other places where gold is being found are places where the people have taken to digging and panning for gold in stream beds, silt deposits and river banks or on hillsides, in layers of metamorphic rock and so forth. This gold is mainly in the form of placer gold.

Placer gold is pieces of gold lying in layers of sand or gravel or in the ground. Prospectors dig by hand with

shovels and pan for gold on the spot. The origin of placer gold is the impact of the elements (sun, rain, temperature changes and corrosives in the water), as a result of which the rock containing the gold erodes. Due to their hardness and weight, the grains of gold are washed away from the rock by water and gradually accumulate in river valleys.

Most of the areas in which gold is being found now are mountainous forests through which few persons ever travel. Often heard names of these places are Ma Noi, Doi Ran, Suoi Nho, Tay Son, Krong Pac, Ta Inh, etc. To reach these places, a person must take the bus as far as it goes and then walk for days through mountain passes and over treacherous mountain slopes. Along the way, you frequently encounter groups of 3 to 5 persons digging and panning for gold. Their baggage is truly crude, consisting of a pick, a shovel, a crowbar, a pan, some clothing, a piece of nylon to provide protection from the rain and a small amount of rice and dried fish. You also encounter persons coming back from these places. Those who found gold are happy and excited but there are also persons with pale faces who are being led along or carried because they have contracted jungle malaria. They truly present a sad and pitiful sight.

In the areas where people are panning for gold, they have erected tents clustered in small groups on hillsides or river banks. Thousands of persons are to be found at some places. Social life at these places is extremely disorganized. The young and the old, men as well as women are there. Most are local people but some are from central Vietnam or the North. Coffee stands, bars and stores selling rice, dried fish, fish sauce, salt, tobacco and other sundries have also sprung up. Prices are extremely high. In November 1988, the price of rice at one place rose to 1,200 dong per kilogram and green squash to 800 dong per kilogram. Loud music blares from the tents day and night. Gold buyers and dealers are also constantly present. There are also gambling, heavy drinking, heroin use... Fights break out practically every day.

The actual digging and panning for gold are just as disorganized. The strongest persons dig and pan where they please, taking small pieces of ground for themselves. The digging is done mainly by hand in squares or cross-shaped trenches or round pits at some places. When they strike a stratum of product (a layer of dirt containing gold), each trench starts heading in the direction of the deposit. The majority of these trenches are not reinforced. At some places, they are 12 to 13 meters deep. Because labor safety is non-existent and they dig for gold deep within the ground, trenches at many places collapse, causing death or injury. But everyone's greatest fear is jungle malaria. Unable to receive prompt medical care, many persons who contract acute malaria simply die in the jungle.

In the search for gold, many persons have had good luck and become prosperous. But there are also many persons who have failed in their search and have lost more than

they found. And, there is the fear of disease because there is not a full supply of drugs at these places and the consequences of disease can be life-long.

Since the issuance of Council of Ministers' Decision 76/HDBT on exploring for, extracting, refining, buying and selling gold extracted from the ground, many localities in which persons are digging and panning for gold have made numerous efforts to take positive measures aimed at stabilizing economic activity and the maintenance of social safety within these areas. For example, Lam Dong Province, relying solely upon the specialized agencies of the geological projects sector, has organized joint enterprises which explore for gold, evaluate sites and also direct the selective extraction of gold. These effective organizational measures encourage the people to dig and pan for gold, stabilize social order, curb some of the negative aspects associated with this activity and make it possible to buy gold for the state.

However, there are still some places that have yet to grasp the spirit of Council of Ministers' Decision 76 and have not given appropriate attention to this practice of people digging and panning for gold or to maintaining order and security within these areas. Local regulations were not promptly adopted and, once they were adopted, no persons or organizations were given the responsibility of observing or supervising implementation. As a result, at places where people are digging and panning for gold, the situation remains very chaotic and gold is not being bought for the state.

The onset of the dry season—that is when people rush out to dig and pan for gold. It is our desire that the localities in which persons are digging and panning will adopt an organizational model on the style of Lam Dong, one suited to local conditions and which makes it possible to buy gold for the state.

Positive Policy Requested by Former Overseas Vietnamese

42090113c Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 8 Jan 89 p 1

[Article by H.M.: "At Meeting of Former Overseas Vietnamese Organized by the Municipal Fatherland Front Chapter: Many Participants Suggest Adopting Positive State Policy Toward Overseas Vietnamese Having Returned Home To Work"]

[Text] In the morning of yesterday, 6 January 1989, the Municipal Fatherland Front Committee held a cordial meeting with more than 50 overseas Vietnamese who had returned home to work.

Many of them affirmed their desire to overcome difficulties and to continue serving in the national construction, and at the same time raised many worries and thoughts. Many others said that for the time being, in some specific localities and at a certain time, they were discriminated against and mistrusted; and since not much attention was paid to their political interests, their

ability to make contributions was limited. Still many others suggested the need to adopt a positive state policy that would create favorable conditions for them to go abroad to visit with relatives and old friends, to travel as tourists, to work, to return to their old schools in order to do research and to expand their knowledge, and to be able to send their children abroad to study, with support provided by their relatives. Another suggestion was about the establishment of a club where former overseas Vietnamese could come to have various activities and to meet one another.

Provinces, Municipalities To Handle Exit/Entry Visa Cases

42090113b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 4 Jan 89 p 1

[Article by H.A.: "From 1 Jan 89, Public Security Offices of Provinces and Municipalities Have the Power To Handle Exit Cases"]

[Text] The Ministry of Interior has entrusted the public security offices of all provinces, municipalities, and special zones throughout the country with the power, beginning on 1 January 1989, to directly consider and decide about the applications for exit and entry visas, in accordance with the standards that have been set.

Whether applicants may leave the country early or late will depend on the countries that accept them. Provincial and municipal public security offices will handle the cases on a first-come-first-serve basis, and this also applies to priority cases.

The files that have been forwarded to the Ministry of Interior will continue to be handled by the ministry. In Ho Chi Minh City, the municipal public security office at 161 Nguyen Du Street, 1st Precinct, is the only one that handles exit/entry visa cases. Since the Municipal Bureau of Aliens and Exit/Entry Visas of the Ho Chi Minh City public security forces does not send its cadres to private homes to work, people should watch out for those who pose as cadres in order to extort money from them or to cheat them.

SAIGON GIAI PHONG Editor in Chief Assesses Work Done in 1988

42090133a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 1 Jan 89 pp 1, 2

[Letter from the editor in chief by To Hoa, dated 1 Jan 89: "Renovation for Survival"]

[Text] 1988, the second year in which the 6th Party Congress Resolution was part of the daily life. In many fields, the revolutionary renovation began to move. A number of socioeconomic models came into existence, and although they still were few, they affirmed the trend of development that the renovating task would be following. For journalists another attractive force was born from the realities.

But on the other hand, it seemed that the things in life arranged themselves in a way that 1988 became a test and a stern screening process for the press and journalists in our country.

Starvation in a number of localities in the North. Airplane accident. Farmers from the Mekong delta and fishermen from Chi Cong Village (in Thuan Hai Province) went to the municipality to demand resolving the irrationalities and injustices in their local areas. The mass organizations' democratic and open political activities. The memorable fourth session of the Eighth National Assembly, and the exciting preparations attended by the municipality's voters prior to it. The people's adverse reaction to the tax policy because of its irrational aspects. In the cultural life, there were events having to do with the weekly, VAN NGHE, and so on. Directive 15 of the CPV CC Secretariat, which had been adopted the year before, had this to remind the press everyday: The negative aspects still existed and the attempts to cover up wrongdoings to allow stealings to continue in shadow areas were not thwarted yet. And more bitter than ever was the permanent contest between renovation and bureaucracy and conservatism in many fields.

In such a situation, what would be the right way to handle it? To disseminate the news or to remain silent? To criticize and to fight or to "cease combat action"? To avoid the truth or to look straight into the truth in order to reflect and contribute to the voice of resolve? All of them were not easy questions for the conscientious and responsible journalists.

As we followed the still-bumpy road of renovation chosen by our newspaper 3 years ago, we were doing our very best so as not to have to return to the old trail. Only in regard to covering the news, we had to "kick and scream" quite hard and to seek some ways to avoid the "hunger" for information right among us journalists. (For instance, in the airplane crash in Bangkok, we had to rely on a Thai English-language newspaper to get the list of victims and to provide our readers at home with their names.)

In order to satisfy the newspaper's needs for renovation, we had to make a great deal of effort to overcome the difficulties and obstacles created by a management mechanism that was not yet renovated and often had to undergo much hardship caused by unexpected "forbidden areas" that had not been mentioned in the regulations.

With such efforts, we now recognize that we succeeded in doing some work, failed to do other work, had both success and failure, and received praises and criticisms from different directions. As to what we did successfully, although we were not fully satisfied with the degree of such successes, in addition to our own efforts, we recognize that they were due to the cooperation that we received from many directions, from the party committee echelons, committees and sectors concerned, and

mostly from a large number of readers. I am writing about this fact with a sense of gratitude for the cooperation and multifaceted support of the people who shared the purposes of our newspaper. Now about your particular contributions to the column, "Speak Frankly and Speak Truthfully Forum," in last year's 248 issues with many new ideas and interesting thoughts, how much we appreciated them as contributions to the revolutionary renovating task of the party and state.

As to our existence, I want to talk about a generalized fact, mostly the gap that is now quite wide between the needs and the fulfillment of these needs. There was a truth to be mentioned: In the third year of the newspaper's renovating effort, in the face of the ever increasing needs of our readers, sometimes the conflict between our "heart" and our "power" became quite obvious. Through their letters and through our direct contact with them, our readers offered us many ideas about the newspaper's shortcomings in terms of renovating news coverage, reflecting in a quick and sensitive manner the daily life, criticizing and fighting the negative aspects, and so on. But that was not all. Let me mention another shortcoming. It was about the fact that the newspaper had not done much (both quantitatively and qualitatively) to fulfill the task of bringing to its readers the joy coming from the young people, from the tiny sparks lighting up in the daily life. I do not advocate the newspaper running after a false and forced balance, which will lead to simplicity and dullness. The essential thing is that writers must have sincerity, do honest work, have a fair attitude, and be square in dealing with life matters.

There was another truth that did not allow the renovating journey to remain a smooth one. That was the truth that the Vietnam Journalists Association Executive Committee unanimously recognized as follows: "Bureaucratic centralism and state subsidies, along with the conservative thoughts, concept, and people in society and in the party and state machinery, are being a resistance to the renovation of our press and society" (notice of the 5th Conference of the Vietnam Journalists Association Executive Committee, 4th term). This resistance will continue to create difficulties and to slow down our progress in the future, but it certainly will not be able to push the already-renovated press back toward the old trail, which to our readers' mind has become a desert place.

A year has gone by. Behind us were the days and nights of hard work and the newspaper issues that until all articles and news items were typeset had been a constant cause for careful consideration in the mind of the editor in charge. Lying ahead of us are the heartening call of the renovating task and the expectations of millions of readers. And also ahead of us the road still is not completely free from sinuous paths and obstacles.

The renovating task of the press today is a year older. SAIGON GIAI PHONG has entered the 4th year of its own little revolution—to renovate itself in order to take

part in the country's larger renovation. To be part of the renovated press often requires one to accept the "between the hammer and the anvil" situation. If things always go smoothly, nobody will need the newspaper's voice.

As the new year begins, I think that if we need to watch out for anything, it is first of all the vacillation toward the correct and healthy new things in the newspaper. Therefore, for us the most correct approach to the question is the following, of which we must regularly remind ourselves: We must pursue renovation in order to survive.

And let me add this: We must survive while retaining the colors of a party newspaper that has a profound popular character.

State Forest Resolves Fisherman Land Disputes
42090129 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 30 Dec 88 p 1

[Article by Tran Loc: "Handling Land Changes in Rural Ho Chi Minh City; Duyen Hai State Forest Actions Have Reason and Feeling"]

[Text] During the past 10 years, the city has established a series of state farms and forests within the area of Duyen Hai District, gradually changing the economic and social appearance of this coastal district, but also producing conflict between local residents raising shrimp and fish and catching aquatic products and the state farms and forests over land, dams, nets, etc. The state farms and forests have occupied but later abandoned land, rivers, and ditches due to lack of manpower and capital for exploitation. Meanwhile, the local fishermen have no land or dams to work and their life forces them onto the land under state farm and forest management to build dams, set nets, and catch aquatic products. These conflicts have at times and in some locations become tense and the local fishermen are continually instituting legal proceeding with upper echelons. The city has had to send many teams to Duyen Hai to investigate and supervise the district and state farms and forests in resolving the situation. However, because a major part of this resolution is still of a bureaucratic nature and more heavily weighted toward reason, the conflicts continue.

The state farms and forests in Duyen Hai are now actively seeking ways to resolve these disputes in a spirit of ensuring that the people have the conditions necessary for making a living and producing. The Duyen Hai State Forest manages dozens of hectares of forest spread over three villages in Duyen Hai. To resolve disputes with the local fishermen while simultaneously exploiting all the state forest's land potential, the board of directors of the Duyen Hai State Forest has joined the people in meeting and discussing solutions with reason and feeling. The state forest encourages those fishermen setting nets and building dams for raising shrimp and fish in areas where the state forest has insufficient manpower and capital for

exploitation, to continue this practice with absolutely no compulsion to divide with the state forest when it has not contributed capital or labor. The fishermen entering state forest land to work must only register to allow the state forest to manage order, security and forest protection. While realigning and establishing areas for the unit raising of high-production shrimp, the state forest strives not to realign the same area as the dams and nets of the people to give them peace of mind in long-term production investment and a stable life and job. Under circumstances in which the dams and nets of the people fall within an area where the state forest is establishing a shrimp raising region, the unit motivates the people to join in investment with the state forest for production on an equitable basis benefiting both parties. Seven families in An Nghia Hamlet of An Thoi Dong Village have engaged in cooperative investment with the state forest in this manner. Anyone not wishing to cooperate with the state forest receives adequate compensation. From July to December 1988, the Duyen Hai State Forest compensated 17 fishermen with dams and nets located within areas where high-production shrimp raising regions were established with a total of 11,352,000 dong. In some case, the state forest paid out up to 2 million dong.

Along with settlement of disputes over dams and nets, the state forest has also advocated accepting the children of local fishermen, after completion of their military obligations, or healthy individuals with village agreement, for employment in the state forest. During the last 6 months of this year, the Duyen Hai State Forest accepted 15 local youths for employment. Besides that, the state forest also gives priority to the local people in seasonal labor contracts.

By the methods above, the Duyen Hai State Forest has to this time resolved all disputes with the fishermen over dams, nets, and catching of aquatic products. The local people engaged in the aquatic products trade on land under state forest management have achieved peace of mind in their work. The people all believe that actions such as those of the Duyen Hai State Forest have reason and feeling. The work of the Duyen Hai State Forest is not only a lesson in experience for state farms in Duyen Hai but one requiring study by many other state farms and stations in rural Ho Chi Minh City.

First Privately Funded College Opens in Hanoi
BK2202155389 Hanoi VNA in English
1510 GMT 22 Feb 89

[Text] Hanoi VNA February 22—The Thang Long College, the first privately funded college, opened here yesterday with a course on informatic mathematics for 75 students.

Present at the opening ceremony held at Van Mieu (Temple of Literature), the first school of higher education in Vietnam established nearly 1,000 years ago, were Vo Nguyen Giap, vice chairman of the Council of

Ministers and Tran Hong Quan, minister of secondary vocational and higher education.

The Thang Long College is run by well-known Vietnamese professors at home and abroad. It will train university-level students for many disciplines, and issue diplomas recognized by the state.

BIOGRAPHIC

Biographic Information on Vietnamese Personalities 42090132

[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

Nguyen Nam Khanh [NGUYEENX NAM KHANHS]

Member of the CPV Central Committee; *Chairman of the Commission for Solidarity With Palestinian People. On 29 November 1988 he attended a reception held by the Federation of Committees for Peace, Solidarity, and Friendship. (NHAN DAN 30 Nov 88 p 4)

Le Kim Lang [LEE KIM LAWNG]

*Vice Minister of External Economic Relations; on 13 December 1988 he signed a decree on goods exchange with a GDR trade delegation. (Ho Chi Minh City SAIGON GIAI PHONG 15 Dec 88 p 1)

Dinh Ngoc Lan [DINH NGOCJ LAAN]

*Director of the Irradiation Center of the National Institute of Atomic Energy; his article "A Visit to the Irradiation Center in Cuba" was published in the cited source. (NHAN DAN 22 Oct 88 p 2)

Pham Si Liem [PHAMJ SIX LIEEM]

*Vice Minister of Construction; from 8-15 December 1988 he worked with a Lao delegation visiting Vietnam. (NHAN DAN 17 Dec 88 p 4)

Mai Thuc Lan [MAI THUCS LUAAN]

*Chairman of the People's Committee, Ha Bac Province; on 7 September 1988 he attended a meeting in Bac Giang to commemorate the 44th anniversary of the People's Republic of Bulgaria. (HANOI MOI 9 Sep 88 p 1)

Bui Danh Lam [BUIF ZANH LUWU]

Minister of Communications and Transportation; his name and position were mentioned in an article on socioeconomic projects that was published in the cited source. (GIAO THONG VAN TAI 7 Aug 88 p 1)

Truong Lam [TRUWOWNGF LUWU]

*Director of the Institute of Culture; his article on national character in culture was published in the cited source. (NHAN DAN 10 Sep 88 p 3)

Le Huy Ngo [LEE HUY NGOJ]

*Secretary of the CPV Committee, Thanh Hoa Province; on 27 October 1988 he met with the press in Thanh Hoa. (NHAN DAN 29 Oct 88 pp 1, 4)

Bui Thien Ngo [BUIF THIEENJ NGOOJ]

*Vice Minister of the Interior; Member of the CPV Central Committee; on 17-18 November 1988 he opened a workshop for the national security forces to study the new criminal procedure code. (Ho Chi Minh City CONG AN THANH PHO HO CHI MINH 23 Nov 88 p 1)

Tran Phuc [TRAANF PHUCS]

SRV Military Attache in Cambodia; on 17 December 1988 he attended the farewell ceremony for SRV troops leaving Cambodia. (HANOI MOI 18 Dec 88 p 1)

Ong Van Quat [OONG VAWN QUATS]

*Vice Chairman of the People's Committee, Thuan Hai Province; on 6 October 1988 he held a press conference on problems with co-op members in his province. (Ho Chi Minh City SAIGON GIAI PHONG 14 Dec 88 p 2)

Vu Manh Rinh [VUX MANHJ RINH]

Chairman of the People's Committee, Thai Binh Province; his article on Thai Binh was published in the cited source. (NHAN DAN 20 Dec 88 p 3)

Ly Van Sau [LYS VAWN SAUS]

Vice Chairman of the Vietnam-Cuba Friendship Association; *Deputy General Director of the Vietnam News Agency [TTXVN]. On 15 December he spoke at a conference to commemorate Cuba's 30th anniversary. (HANOI MOI 17 Dec 88 p 1)

Do Van Tai [DOOX VAWN TAIF]

*SRV Ambassador Extraordinary and Plenipotentiary to Jamaica; on 21 November 1988 he presented his credentials to the Governor General of Jamaica. (NHAN DAN 30 Nov 88 p 4)

Nguyen Quang Tao [NGUYEENX QUANG TAOJ]

Deputy Director of the Foreign Relations Department of the CPV Central Committee; on 29 November 1988 he attended a reception held by the Albanian ambassador in Hanoi to commemorate the 76th Independence Day and the 44th Liberation Day of Albania. (NHAN DAN 30 Nov 88 p 1)

Nguyen Duc Tam [NGUYEENX DUWCS TAAM]

Member of the CPV Politburo; Member of the CPV Secretariat; on 29 November 1988 he attended a reception held by the Albanian ambassador in Hanoi to commemorate the 76th Independence Day and the 44th Liberation Day of Albania. (NHAN DAN 30 Nov 88 p 1)

Dang Gia Tat [DAWNGJ GIA TAATS]

*New SRV Ambassador to Mongolia; on 28 November 1988 he paid a visit to the Mongolian Chairman of Council of Ministers. (NHAN DAN 30 Nov 88 p 4)

Nguyen Van Thanh [NGUYEENX VAWN THANHF, Colonel]

*Commander of 315 Division; on 17 December 1988 he was present at the farewell ceremony for his troops in Phnom Penh. (NHAN DAN 18 Dec 88 pp 1, 4)

Huu Tho [HUWX THOJ]

*Deputy Editor of the newspaper NHAN DAN; on 8-9 October 1988 he attended a symposium on renovation in economic management in Ha Nam Ninh Province. (NHAN DAN 24 Oct 88 pp 1, 2)

Hoang Manh Thai [HOANGF MANHJ THOWIF], Lt Colonel

*Commander of Special Operations Group 3; his name and rank were mentioned in an article on his unit published in the cited source. (NHAN DAN 26 Dec 88 p 3)

Nguyen Thi Hoa Thu [NGUYEENX THIJ HOAIF THU]

*Vice Chairman of the National Assembly Committee for Public Health and Social Welfare. On 15 December

1988 she spoke at the National Assembly plenary meeting. (NHAN DAN 16 Dec 88 p 1)

Tran Tien [TRAANF TIEEU]

Vice Minister of Finance; his letter in reply to questions on the current tax policies was published in the cited source. (Ho Chi Minh City SAIGON GIAI PHONG 28 Nov 88 p 2)

To Xuan Toan [TOO XUAAN TOANF]

Deputy Secretary of the CPV Committee, Ha Nam Ninh Province; on 8-9 October 1988 he attended a symposium in Ha Nam Ninh to discuss renovation in economic management. (NHAN DAN 24 Oct 88 pp 1, 2)

Laong Ngoc Toan [LUWOWNG NGOCJ TOANR]

Vice Minister of Education; *Head of the SRV Long Term Education Specialists Delegation in Cambodia; on 20 October 1988, at a meeting to welcome the delegation's return from Cambodia, he read a report on the delegation's activities in Cambodia. (GIAO VIEN NHAN DAN 21 Nov 88 p 1)

Nguyen Dinh Tu [NGUYEENX DINHF TUWS]

Head of the Science and Technology Committee of the National Assembly. On 16 December 1988 he met with international delegations to introduce Vietnamese services for foreign investment in Vietnam. (NHAN DAN 17 Dec 88 pp 1, 4)

Nguyen Dinh Uoc [NGUYEENX DINHF UWORCS], Major General

His article about a book on VPA history appeared in the cited source. (NHAN DAN 22 Dec 88 pp 1, 4)

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